(SRI A. G. RAMACHANDRA RAO.) Revenue and Public works, I beg to lay on the Table copy of the Mysore (Personal and Miscellaneous) Inams Abolition Bill, 1954, as received from the Legislative Council with amendments made by it.

Mr. SPEAKER.—The next is 'Consideration of Bills.' The discussion will continue regarding the amendment to clause 3 of the Sales Tax (Amendment) Bill.

MYSORE SALES TAX (AMENDMENT) BILL, 1954.

Consideration of Clauses.—(contd.)

Sri A. BHEEMAPPA NAIK (Molakalmuru).—Sir, regarding the rate to be levied for tea and coffee, in the Select Committee it was decided as six pies. It is printed as nine pies here; I want to know whether it is a printing mistake.

Sri A. G. RAMACHANDRA RAO (Minister for Law and Education).—Sir, I am just now notifying that there are some mistakes in printing. I will distribute copies to members also. Anyway, it is six pies and not nine pies.

Sri A. BHEEMAPPA NAIK.—Then, it is all right.

Sri A. G. RAMACHANDRA RAO.—There are two such corrections, Sir. In part I of the Schedule, in column 3 of item 30, for the words "nine pies" the words "six pies" shall be substituted. In part II of the Schedule, in column 2 of item 2 for the figure and word "nine pies," the figure and word "six pies" shall be substituted.

I am also circulating to substitute for sub-clause (2) the following:

'(2) after the said sub-section (1), the following sub-section shall be added, namely,—

"(2) No court shall take cognizance of an offence under clause (*b*) of sub-section (1) except upon a complaint made with the previous sanction of the Deputy Commissioner of the District; and the Deputy Commissioner shall not grant such sanction,

(i) unless he has reason to believe that the person liable to pay the amount, with intent to obstruct or dealy the recovery of the amount,

(*a*) is about to leave the State, or

(*b*) is about to dispose of the whole or any part of his property, or

(*c*) is about to remove the whole or any part of his property from the local limits of the District; or

(ii) for the prosecution of a person who has been adjudged insolvent."'

Mr. SPEAKER.—Clause 3. The first amendment stands in the name of Sri M. V. Rama Rao.

Sri M. V. RAMA RAO.—I am not moving the first amendment, Sir.

Sri M. RAJASEKHARA MURTHY (Yelandur).—Sir, I beg to move the following:

'At the end of the proposed clause (*b*) of sub-section (1) of Section 3, the following proviso shall be added namely:—

"Provided that in the case of jewellers, the tax shall be calculated at the following rates :—

	Rate of tax
1. In the case of every dealer whose total turnover is Rs. 7,500 and above but not exceeding Rs. 10,000	Rs. 25 per annum.
2. In the case of every dealer whose total turnover exceeds Rs. 10,000 but does not exceed Rs. 25,000	The rate specified in item 1 on the turnover not exceeding Rs. 10,000 and one pie in the rupee on the turnover exceeding Rs. 10,000.
3. In the case of every dealer whose total turnover exceeds Rs. 25,000	The rate specified in item 2 on the turnover not exceeding Rs. 25,000 and two pies in the rupee on the turnover exceeding Rs. 25,000." '

Sir, of all the merchants in the State it is the jeweller who is the worst affected. He expected a favourable report from the members of the Select Committee; but the Bill as amended by the Select Committee has shattered the hopes of this particular business community. They feel that their case has not received any sympathetic consideration at the hands of the members of the Select Committee. Now we have to examine how far the grievances of this merchant class are warranted by facts. Under the old structure the jeweller had to pay a fee for registration as a dealer and secondly a licence fee in order to deal in bullion; the third item was, he had to collect and pay the sales tax to Government at four annas per hundred on the bullion sold and the fourth item of tax was he had to collect tax from the purchaser at three pies per rupee and remit to Government. According to the amended structure of taxation, he has to pay a fee on licence and dealership and in addition, in place of sales tax he has to pay the turnover tax. Further, he has to collect eight annas per hundred on bullion sold by him.

Sir, the sales tax which has now been converted into turnover tax has affected this merchant class severely because then he was collecting tax from the consumer and remitting to Government. But according to the amended structure he has to pay that money from the profit, if at all he makes any profit. If he does not make profit, he must pay out of his pocket. He stands at a disadvantage when compared with other general merchants. A general merchant who deals in sugar, dalda, soap, etc., need not pay anything as he is subject to single point tax which is usually collected at the source of production. Some articles are exempted from payment of tax. Let us take into consideration the case of a jeweller. He deals with costly goods and naturally his turnover will be very high. These articles are neither subject to single point tax nor do they come under the exempted list. Therefore, the jeweller is subjected to heavy taxation. So in the interest of equity and justice I request the Government to accept this amendment.

Mr. SPEAKER.—Amendment moved:

'2. At the end of the proposed clause (*b*) of sub-section (1) of Section 3, the following proviso shall be added, namely:—

"Provided that in the case of jewellers the tax shall be calculated at the following rates:—

		Rate of tax.
1	In the case of every dealer whose total turnover is Rs. 7,500 and above but not exceeding Rs. 10,000.	Rs. 25 per annum.
2	In the case of every dealer whose total turnover exceeds Rs. 10,000 but does not exceed Rs. 25,000.	The rate specified in item 1 on the turnover not exceeding Rs. 10,000 and one pie in the rupee on the turnover exceeding Rs. 10,000.
3	In the case of every dealer whose total turnover exceeds Rs. 25,000.	The rate specified in item 2 on the turnover not exceeding Rs. 25,000 and two pies in the rupee on the turnover exceeding Rs. 25,000." '

*Sri J. MOHAMED IMAM (Jagalur).—While agreeing with Sri Rajasekhara Murthy I want to bring one thing to the notice of the Minister that ornaments are exempted from sales tax in Bengal. Gold ornaments are exempted in Bengal. So it is better to have a uniform policy throughout India. I may also point out that if the rates proposed by the Select Committee are adopted, it would be very difficult for the consumer to pay. Sir, you know these articles cost very heavily and if sales tax is levied, the consumer will have to pay a big amount. If I remember correctly, in Bombay also these gold ornaments are exempted because they are not articles of trade. They are

(SRI J. MOHAMED IMAM.)

purchased only to be retained by himself or herself; that is why these gold ornaments are exempted. It is a necessity for Indian women and it cannot be considered as a luxury. This is a matter which can be viewed sympathetically.

ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.—ಸ್ವಾಮಿ, ನಾನು ಇದನ್ನು ವಿರೋಧಿಸಬೇಕಾಗಿದೆ. ಇದು ನಗರಗಳಲ್ಲಿ ನಿತ್ಯಜೀವನಕ್ಕೆ ಅವಶ್ಯಕವಾಗಿ ಬೇಕಾದ ಪದಾರ್ಥಗಳಲ್ಲಿ ಒಂದು ಎಂದು ಹೇಳುವಹಾಗಿಲ್ಲ. ಮಾನ್ಯ ಸದಸ್ಯರು ತಿಳಿಸಿದಹಾಗೆ, ಬಂಗಾಳ ಮತ್ತು ಬೊಂಬಾಯಿಗಳಲ್ಲಿ ಈ ಪದಾರ್ಥಗಳ ವಿಚಾರವನ್ನೇ ಬೇರೆ ರೀತಿ ಪರಿಗಣಿಸಲಾಗಿದೆ. ನಮ್ಮ ದೇಶದಲ್ಲಿ ಈ ಒಡವೆಗಳನ್ನು ಯಾವ ದೃಷ್ಟಿಯಿಂದ ನೋಡಬೇಕಾಗಿದೆ ಎಂಬುದನ್ನು ಮನಸ್ಸಿಗೆ ತಂದುಕೊಳ್ಳುವುದು ಅಗತ್ಯವಾಗಿದೆ. ಇಂಗ್ಲೆಂಡಿನಲ್ಲಿ ಇವುಗಳಿಗೆ cent per cent ಸೇಲ್ಸ್ ಟ್ಯಾಕ್ಸ್ ಹಾಕುತ್ತಾರೆ. ಇದಕ್ಕೆ ಮುಖ್ಯ ಕಾರಣ ನಿತ್ಯಜೀವನದಲ್ಲಿ ಅವಶ್ಯಕ ಪದಾರ್ಥಗಳಲ್ಲಿ ಇವು ಸೇರಿಲ್ಲ.

ಶ್ರೀ ಪಿ. ಆರ್. ರಾಮಯ್ಯ (ಬಸವನಗುಡಿ).—ನಮ್ಮ ದೇಶಕ್ಕೆ ನಿತ್ಯಜೀವನದ ಅವಶ್ಯಕ ಪದಾರ್ಥಗಳಲ್ಲಿ ಕಾಫಿಯು ಒಂದಾಗಿದೆ. ಇದಕ್ಕೆ ವಿನಾಯಿತಿ ಕೊಡಬೇಕಾಗಿದೆ.

ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.—ದೇಶಕ್ಕೆ ಬರಬೇಕಾದ ವರಮಾನವನ್ನು ಆದಷ್ಟು ಹೆಚ್ಚಿಸಿಕೊಳ್ಳುವುದು ದೇಶಾಭಿವೃದ್ಧಿಗೆ ಅನುಗುಣವಾದುದು. ಆದ ಕಾರಣ ಮಾನ್ಯ ಸದಸ್ಯರ ಸಲಹೆಯನ್ನು ಒಪ್ಪುವುದಕ್ಕಾಗುವುದಿಲ್ಲ.

Sri M. RAJASEKHARA MURTHY.—I seek the leave of the House to withdraw my amendment.

The amendment was, by leave, withdrawn.

***Sri M. V. RAMA RAO** (Tumkur).—Sir, I beg to move:

"That the proposed first proviso to sub-section (1) of Section 3 shall be deleted and item (iii) renumbered as item (ii)."

I made a brief reference to this particular amendment in the course of my speech on the motion for consideration of the Bill as reported by the Select Committee, yesterday. The amendment that I have tabled seeks, by taking away the first proviso to sub-section (1) of Section 3, to relegate the hotel proprietors and boarding house keepers and proprietors of restaurants and canteens to the same position as any other dealer for the purpose of computation of turnover tax and for the purpose of fixing the liability to pay the turnover tax. As I observed yesterday, my view is that, in so far as the turnover tax is a general sales tax not relatable to any particular goods which form the subject matter of trade or business but which is payable on the general turnover, that is, the aggregate of transaction in a year, irrespective of the nature of the goods which form the subject matter of the trade and irrespective of the fact also that such trade results in profit or in loss to the dealer, there ought not to be any separate classification of a particular trade on any ground whatever unless the ground can be distinguished and justified. It does not appear to me that there is any particular principle upon which the separate classification of hotel business as such could be distinguished for being treated as a separate classification by itself. I should like to know what is the principle, if any, what is the ground, if any, upon which hotel business as such is sought to be classified separately and enhanced rates of turnover tax imposed on such business? It will be seen from the general scheme of the Sales Tax Act that Schedule I now proposed in the amending Bill contains a fairly long list of articles subject to tax at single point in the place of the existing system where a number of articles are subject to the levy of sales tax at more than one point. And Schedule III in the amending Bill contains a long list again of articles exempt from the levy of sales tax. In between these two Schedules there are quite a variety of articles and goods which enter into the general turnover of every dealer under the Sales Tax Act and in respect of which one could determine the liability for payment of the general sales tax or the turnover tax which every dealer would have to pay. Therefore, in so far as the liability to pay this turnover tax is not relatable to the turnover in goods listed in Schedule I or in Schedule III, every dealer whatever his business is entitled to the same treatment. When I was trying to convince my esteemed friend the Hon'ble Sri A. Bheemappa Naik who was a member of the Select Committee on this point, he made a reference to another provision in the Act and in the Bill which is the

reference to the levy of a different rate of tax on bullion and specie and suggested that a different classification was not alien to the scheme of the Act or to the scheme of the proposal contained in the amending Bill. All that I should like to say is, Section 5 of the existing Act which deals with exemptions and reductions of tax in certain cases—that is the marginal note given for the section—says:

> "Subject to such restrictions and conditions as may be prescribed, including conditions as to licences and licence fees—
>
> (iv) the sale of bullion and specie shall be liable to tax under section 3, sub-section (1), only at such single point in the series of sales by successive dealers as may be prescribed and only at the rate of one-fourth of one per cent of the turnover at that point."

For this particular clause the amending Bill makes an alternative proposal, a different proposal, to the effect that for the words 'one-fourth' the words 'one half' shall be substituted. Therefore it will be seen that the levy of sales tax at some determinate point at the rate of half of one per cent instead of at the existing rate of one-fourth of one per cent will not have the effect of taking away the imposition of turnover tax on the sale of bullion and specie from the general category in which Section 5 of the Act placed it and that is, "exemptions and reductions of tax in certain cases"—that is the category. Therefore I said that the fact that a concessional rate of sales tax so low as half per cent on the entire turnover of bullion and specie could not be said to support the position that a different rate of turnover tax could be levied on those dealers whose business is hotel business. To me it is not obvious what connection could be established between sub-clause 4 of the existing Section 5 of the Act and the new proviso that has been proposed to sub-section (1) of Section 3. Sir, I have no desire to take up any further time of the House in addressing myself to any elaborate arguments in support of the point to which I have invited the attention of the Hon'ble Minister as well as this House generally. I am of the view that for the purpose of levying a general sales tax, a turnover tax, which is not relatable to goods subject to single point taxation or to goods which are wholly exempt from sales tax being included in Schedule III of the amending Bill, in so far as the turnover is not relatable to goods contained in either of these Schedules, there ought not to be any discriminatory provision for the purpose of levying the general turnover tax. It will be seen that the existing Act made no such discriminatory provision. It provided for the levy in every case of the general turnover tax at the rate of three pies in the rupee excepting in regard to specific goods mentioned in the latter part of Section 3. The amending Bill introduces a discriminatory provision for the first time in our Sales Tax Act which till now contained no such discriminatory provision. And I am very doubtful if we are acting within our competence in imposing a rate of tax which is much more than the tax that we levy on others, in the case of a particular trade. Therefore, Sir, I suggest that the Hon'ble the Minister in charge of the Bill would kindly examine this point and accept my amendment so that the law that is applicable to the dealers generally will be also the law that is applicable to hotel proprietors and keepers of boarding houses or restaurants or canteens.

1-30 P.M.

Mr. SPEAKER.—Amendment moved:

> "That the proposed first proviso to sub-section (1) of Section 3 shall be deleted and item (iii) re-numbered as item (ii)."

*Sri A. BHEEMAPPA NAIK.—Sir, I have heard with rapt attention the arguments advanced by my Hon'ble friend Sri M. V. Rama Rao saying that the levying different scales of sales tax on hotels is a discriminatory legislation. Is it because it is called turnover tax? Supposing it is called tax at single

(SRI A. BHEEMAPPA NAIK.)

point and levied on the outlay. It is only for the sake of convenience, where the source is easily traceable, single point tax is levied. Even in regard to hotels, this is only a single point levy and in such a levy, the total turnover is taken into consideration and no other. Therefore, it cannot be dis criminatory. If all articles that are bought and sold in the State are to be levied at one point and at a definite rate, his argument would have had some meaning. If one commodity is to be taxed at one anna per rupee at a single point and if some other commodity is to be taxed on the outlay, it is only a change in name and no change at all in substance, because it is called merely a single point tax instead of being called turnover tax.

Sri M. V. RAMA RAO.—What I said was that this turnover tax is not relatable to any specific goods which are subject to single point levy. As a matter of fact my Hon'ble friend Sri Bheemappa Naik was suggesting that the levy of turnover tax on hotels is also single point incidence tax. I do not think it would be so, because he would easily understand that if a person who keeps a hotel makes purchases in bulk from other hotels articles manufactured and sold there in the usual course of business and keeps such articles on sale, that turnover would be taken into account in both business houses and therefore the same goods would be liable for taxation in respect of their contribution to the general turnover. Therefore, what I was saying was that discrimination arises because of the discriminatory provision made for assessing tax at different rates.

Sri A. BHEEMAPPA NAIK.—Still, Sir, even after hearing him, I am not convinced with the example he quoted and it has never occurred and it is perhaps such as would occur in cases few and far between, because nobody purchases and keeps coffee elsewhere for sale. He says 'in bulk'; I do not know where it is done. I do not know whether he quoted in all seriousness or simply for the sake of fun. But anyway it is single point tax and for the purpose of calculation, turnover is taken into consideration and nothing else. Moreover, Sir, if a tax is levied on different categories of business in different ways and at different rates, I do not know how it can be called discriminatory. If we take into consideration several other taxes that are levied on outlay, they all tend to be a single point levy. Even in regard to tax on hotels, in view of the possibility of larger margin of profit, we have prescribed a little higher tax. Even then, Sir, what is the difference in the rate of tax that we have suggested? Formerly they were paying at three pies per rupee which meant that every person who turned out business to the tune of Rs. 10,000 had to pay Rs. 156-4-0. Now, what is it that they are going to pay? Only Rs. 75 at that rate and again they pay at $4\frac{1}{2}$ pies if the business exceeds Rs. 36,000.

Sri M. V. RAMA RAO.—Will others pay that amount of Rs. 75?

Sri A. BHEEMAPPA NAIK.—Will others make the same amount of profit as these hotel people?

Sri M. V. RAMA RAO.—Are we taxing profits or is it a tax on sale?

Sri A. BHEEMAPPA NAIK.—We are taxing on the basis of profits that they may get.

Sri M. V. RAMA RAO.—Where is the legislative competence?

Sri A. BHEEMAPPA NAIK.—They were paying at a certain rate. We are not asking them to get sales tax from others. We are only asking them to pay. In fact, it amounts to income tax. And moreover even in Madras, they levy at 3 pies per rupee on hotels and at different rates on other goods. Is it not discriminatory?

Sri M. V. RAMA RAO.—The validity of Madras Law has not yet been decided. Do we want to take our stand merely on the ground that it has been done in Madras?

Sri A. BHEEMAPPA NAIK.—Is it because that Sri Rama Rao has argued vehemently that this validity is questioned?

Sri M. V. RAMA RAO.—I do not expect this House to be guided only by my argument. I want to leave the

House in possession of its own faculties uninfluenced by my argument. I would like to leave the House to study the relevant articles of the Constitution itself.

Sri A. BHEEMAPPA NAIK.—I hope the House has understood his argument; he does not want that to be taken into consideration—making it either valid or invalid. That is a different point. What I cannot see is that this kind of taxation for different articles is out of the purview of the Sales Tax Act. We have levied a turnover tax in some cases and it is levied at single point. This is also in my opinion a single point levy and single point tax and if in a single point tax, different business and different articles are taxed differently, it is not invalid. That is all I submit.

ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.—ಸ್ವಾಮಿ, ಶ್ರೀಮಾನ್ ರಾಮರಾಯರ ತಿದ್ದುಪಡಿಯನ್ನು ನಾನು ವಿರೋಧಿಸಬೇಕಾಗಿದೆ. ಮುಖ್ಯವಾದ ಒಂದು ವಿಷಯ ಗಮನದಲ್ಲಿಟ್ಟುಕೊಳ್ಳಬೇಕು. ಇತರ ವ್ಯಾಪಾರಕ್ಕೂ ಹೊಟೇಲಿನ ವ್ಯಾಪಾರಕ್ಕೂ ಒಂದು ದೊಡ್ಡ ವ್ಯತ್ಯಾಸ ವಿದೆ. ಸಾಮಾನ್ಯವಾಗಿ ಒಂದು ಲಕ್ಷ ರೂಪಾಯಿ ವ್ಯಾಪಾರ ಮಾಡತಕ್ಕ ಹೊಟೇಲ್ ವ್ಯಾಪಾರಗಾರ ನಿಗೂ, ಒಂದು ಲಕ್ಷ ರೂಪಾಯಿ ವ್ಯಾಪಾರ ಮಾಡತಕ್ಕ ಸಾಮಾನ್ಯ ವ್ಯಾಪಾರಗಾರನಿಗೂ ವ್ಯತ್ಯಾಸವಿರು ತ್ತದೆ. ಒಂದು ಲಕ್ಷ ರೂಪಾಯಿ ಹೋಲ್‌ಸೇಲ್ ವ್ಯಾಪಾರ ಮಾಡುವವನು ತನ್ನ ಸಾಮಾನನ್ನು ಇನ್ನೊಬ್ಬ ರೀಟೇಲ್ ವ್ಯಾಪಾರಗಾರನಿಗೆ ಮಾರು ತ್ತಾನೆ. ಹೀಗೆ ಎರಡು ಮೂರು turnover ಆಗು ತ್ತದೆ. ಹೊಟೇಲಿನವರು ಒಂದಲ್ಲ, 4 ಲಕ್ಷ ರೂಪಾಯಿ ವ್ಯಾಪಾರ ಮಾಡಿದರೂ ಕೂಡ ಆ ವ್ಯಾಪಾರ ಅಲ್ಲಿಗೇ ಪೂರೈಸಿಹೋಗುತ್ತದೆ. ಆ ಪದಾರ್ಥದ ಯಾತ್ರೆ ಅಂಗಡಿಯಿಂದ ಅಂಗಡಿಗೆ ಹೋಗುವುದಿಲ್ಲ. ಇತರ ವ್ಯಾಪಾರಗಳಲ್ಲಿ ಹಾಗಲ್ಲ. ಆ ಪದಾರ್ಥಗಳ ಯಾತ್ರೆ 2-3 ಕಡೆ ಹೋಗಿ 2-3 ಕಡೆಗಳಲ್ಲಿ ಟ್ಯಾಕ್ಸಿಗೆ ಗುರಿ ಯಾಗುತ್ತದೆ ಎಂಬುದನ್ನು ಮರೆಯಬಾರದು. ಈ ಮುಖ್ಯ ಕಾರಣಕ್ಕಾಗಿ ಒಂದು ಕಡೆ, ಎರಡು ಕಡೆ, ಮೂರು ಕಡೆ ಬರುವುದನ್ನೆಲ್ಲಾ ಒಂದೇ ಕಡೆ ವ್ಯಾಪಾರ ಜಾಸ್ತಿಯಾಗಿ ಆಗುವ ಕಡೆ ತೆಗೆದುಕೊಳ್ಳುವುದು ಸೂಕ್ತ ಎಂಬುದು ಒಂದು ಅಂಶ. ಎರಡನೆಯದಾಗಿ, ನಾವು ಮದರಾಸು ಮತ್ತು ಬೊಂಬಾಯಿಗಳಲ್ಲಿಯಾವ ರೀತಿ ಟ್ಯಾಕ್ಸ್ ಇದೆ ಎಂಬುದನ್ನು ನೋಡಿದರೆ, ಮದರಾಸಿನಲ್ಲಿರುವುದಕ್ಕಿಂತ ಈಗ ಹಾಕಿರುವುದು ಬಹಳ ಕಡಮೆ. . . .

ಶ್ರೀ ಎಂ. ವಿ. ರಾಮರಾವ್.—ಏನು ಸಂದೇಹ ಇದೆ ಎಂಬುದನ್ನು ಹೇಳುತ್ತೇನೆ. ಬೇರೆ ವ್ಯಾಪಾರ ದಲ್ಲಿ ಪದಾರ್ಥಗಳು ಒಂದು ಅಂಗಡಿಯಿಂದ ಇನ್ನೊಂದು ಅಂಗಡಿಗೆ ಹೋಗುತ್ತವೆ, ಅನೇಕ ಕಡೆ ಗಳಲ್ಲಿ ಟ್ಯಾಕ್ಸ್ ರಿಕವರ್ ಆಗಲಿಕ್ಕೆ ಅವಕಾಶ ಇದೆ ಎಂದು ಹೇಳಿದರು. ಟರ್ನ್‌ಓವರ್ ಟ್ಯಾಕ್ಸ್ ಹಾಕ ಲಿಕ್ಕೆ ಸಂಬಂಧಪಟ್ಟಂತೆ ಸಿಂಗಲ್ ಪಾಯಿಂಟ್ ಲೆವಿಗೆ ಯಾವ ಯಾವ ಪದಾರ್ಥಗಳು ಒಳಪಟ್ಟಿವೆ ಎಂಬುದು ಷೆಡ್ಯೂಲ್ I ರಲ್ಲಿ ನಮೂದಾಗಿದೆ. ಅಲ್ಲಿರ ತಕ್ಕ ಪದಾರ್ಥಗಳ ಮೇಲೆ ಸಿಂಗಲ್ ಪಾಯಿಂಟ್ ಲೆವಿ ಮಾತ್ರ ಮಾಡಬೇಕು. ಆ ರೀತಿ ಇರುವುದರಿಂದ ಆ ಪದಾರ್ಥಗಳು ಎಷ್ಟು ಕಡೆಗಳಲ್ಲೇ ಆಗಲಿ ಬೇರೆ ಬೇರೆ ರೀತಿಯಾಗಿ ಒಂದಕ್ಕಿಂತ ಹೆಚ್ಚು ಕಡೆಗಳಲ್ಲಿ ವ್ಯಾಪಾರ ಆದರೂ ಕೂಡ ಟ್ಯಾಕ್ಸ್ ವಸೂಲು ಮಾಡುವುದಕ್ಕೆ ಹೇಗೆ ಅವಕಾಶವಿರುತ್ತದೆ?

ಶ್ರೀ ಎ. ಭೀಮಪ್ಪ ನಾಯಕ್.—ಸಿಂಗಲ್ ಪಾಯಿಂಟ್ ಬಿಟ್ಟು ಬಾಕಿ ವಸ್ತುಗಳು ಇರುತ್ತವೆ. ಅವನ್ನು 10 ಕಡೆ ಉಪಯೋಗಿಸಿದರೆ turnover tax ಬೀಳುತ್ತದೆ. Apart from the articles which should not be levied at single point, the rest of the articles, if they are sold from place to place, they will have to pay.

Sri M. V. RAMA RAO.—Not the article; it is paid by the dealers. The tax is not leviable or collectable by the different dealers.

ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.—ಆಯಾ ಪದಾರ್ಥಕ್ಕೆ ಎಲ್ಲಿ ಟ್ಯಾಕ್ಸ್ ಕೊಟ್ಟಿದೆ, ಎಲ್ಲಿ ಕೊಟ್ಟಿಲ್ಲ ಎಂದಲ್ಲ. ಟರ್ನ್‌ಓವರ್ ಆದ ತಕ್ಷಣ incidence of taxation apply ಆಗುತ್ತದೆ. ಆದ್ದರಿಂದ ಹೊಟೇಲಿನಲ್ಲಿ ಆ ರೀತಿ ಒಂದು ಕಡೆಯಿಂದ ಇನ್ನೊಂದು ಕಡೆಗೆ ಪದಾರ್ಥಗಳು ಹೋಗಿ ಟ್ಯಾಕ್ಸ್ ಹಾಕಲ್ಪಡು ವುದಿಲ್ಲ ಎಂದರೆ ತಾತ್ವಿಕವಾಗಿ ಯಾವ ತಪ್ಪೂ ಆಗುವುದಿಲ್ಲ. ಅದನ್ನು ಒಪ್ಪಿಕೊಳ್ಳಬೇಕು. ಇದು ಮುಖ್ಯವಾದ ಕಾರಣ. ಎರಡನೆಯದಾಗಿ, ಸೆಲೆಕ್ಟ್ ಕಮಿಟಿಯಲ್ಲಿ ಪರ್ಯಾಲೋಚನೆ ಮಾಡುವಾಗ ಬೊಂಬಾಯಿ ಮತ್ತು ಮದರಾಸಿನಲ್ಲಿರತಕ್ಕ ಲೆಕ್ಕಾ ಚಾರ ನೋಡಿದೆವು. ಬೊಂಬಾಯಿನಲ್ಲಿ 1 ರೂಪಾ ಯಿಗೆ 6 ಕಾಸು ಹಾಕಿದ್ದಾರೆ. ಮದರಾಸಿನಲ್ಲಿ 10 ಸಾವಿರದಿಂದ 25 ಸಾವಿರದವರೆಗೆ 3 ಕಾಸು ಇದೆ. 25 ಸಾವಿರಕ್ಕೆ ಮೇಲ್ಪಟ್ಟು $4\frac{1}{2}$ ಕಾಸು ಹಾಕಿದ್ದಾರೆ. ಅದನ್ನೂ ನಮ್ಮ ರೇಟ್ಸನ್ನೂ ನೋಡಿದರೆ ನಮ್ಮದು ಅವರಿಗಿಂತ ಬಹಳ ಕಡಮೆ ಆಗಿರುವುದಲ್ಲದೆ ಇದು ವರೆಗೂ ಬರತಕ್ಕ ವರಮಾನ ಕೂಡ ಅದರಿಂದ ಬರುತ್ತಾ ಇಲ್ಲ. ಚಿಕ್ಕ ವ್ಯಾಪಾರಿಗಳಿಗೆ ಅನುಕೂಲ ವಾಗಲಿ, ತೊಂದರೆ ಆಗದೇ ಇರಲಿ ಎಂಬ ಉದ್ದೇಶ ದಿಂದ ಅದನ್ನು ಬಿಟ್ಟಿದ್ದೇವೆ. ಅದಕ್ಕೆ ಮೂರು ನಿದರ್ಶನಗಳನ್ನು ಕೊಡುತ್ತೇನೆ.

$7\frac{1}{2}$ ಸಾವಿರದಿಂದ 10 ಸಾವಿರದವರೆಗೆ ಈಗ ಏನೂ ಬರುತ್ತಾ ಇಲ್ಲ; 75 ರೂಪಾಯಿ ಬರುವುದಿದೆ. 10 ಸಾವಿರ ರೂಪಾಯಿಗಳಿಗೆ ಮೇಲ್ಪಟ್ಟು 15 ಸಾವಿರ ರೂಪಾಯಿಗಳವರೆಗೂ ಇಟ್ಟುಕೊಳ್ಳೋಣ —ಬರುವುದರಲ್ಲಿ ಈಗ ರೂ. 254-6-0 ಬರುತ್ತಿದೆ. ಮುಂದೆ ರೂ. 153-0-0 ಬರುತ್ತದೆ.

15 ಸಾವಿರ ರೂಪಾಯಿಗಳಿಗೆ ಮೇಲ್ಪಟ್ಟು 36 ಸಾವಿರ ರೂಪಾಯಿಗಳವರೆಗೂ ಬರುವುದರಲ್ಲಿ ಈಗ ರೂ. 562-0-0 ಬರುತ್ತಿದೆ. ತಿದ್ದುಪಡಿ ಆದಮೇಲೆ ರೂ. 481-0-0 ಬರುತ್ತದೆ.

ಏನಿದ್ದರೂ 36 ಸಾವಿರ ರೂಪಾಯಿಗಳಿಗೆ ಮೇಲ್ಪಟ್ಟು ಹೆಚ್ಚಾಗಿ ವ್ಯಾಪಾರವಾದರೆ, ಅಂಥ ದೊಡ್ಡ ವ್ಯಾಪಾರಸ್ಥರು ಇದ್ದರೆ, ಅಂಥವರಿಂದ ನಮಗೆ ಟ್ಯಾಕ್ಸ್ ಹೆಚ್ಚಾಗಿ ಬರತಕ್ಕ ಅವಶ್ಯಕತೆ ಕಾಣುತ್ತಿದೆ. ಆದ್ದರಿಂದ ಬಡವರಿಗೆ ಅನುಕೂಲವಾಗಬೇಕು, ಇರ

(ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.)

ತೆಕ್ಕ ಹೊರೆ ಹೆಚ್ಚಾಗಬಾರದು, ಈ ಹೊರೆ ಬೀಳಬೇಕಾದರೆ ದೊಡ್ಡ ವ್ಯಾಪಾರಗಾರರಿಗೆ ಬೀಳಬೇಕು ಎಂಬುದೂ ಮತ್ತು ಇತರ ಕಡೆಗಳಿಗಿಂತ ಕಡಮೆಯಾಗಿ ಇಟ್ಟಿರುವುದೂ ಚೆನ್ನಾಗಿ ವ್ಯಕ್ತವಾಗುತ್ತಿದೆ. ಆದ್ದರಿಂದ ಶ್ರೀಮಾನ್ ರಾಮರಾಯರ ತಿದ್ದುಪಡಿಯನ್ನು ಒಪ್ಪಿಕೊಳ್ಳುವುದಕ್ಕೆ ಸಾಧ್ಯವಿಲ್ಲ, ಸ್ವಾಮಿ.

Sri M. V. RAMA RAO.—I seek leave of the House to withdraw the amendment.

The amendment was, by leave, withdrawn.

***Sri J. MOHAMED IMAM.**—Sir, I beg to move:

"That in the proposed sub-section (2) (*b*) of Section 3, for the words 'one and half annas' the words 'one anna' shall be substituted."

Sir, this is a very reasonable amendment and I am sure the Minister will not have any difficulty in accepting this. This section gives unlimited power and very arbitrary power to Government to levy tax up to one and half annas on any commodity. My amendment is that it should in no case exceed one anna. In the first place I am against giving such a power to Government. This section will enable the Government to include any commodity under the Schedule to levy up to one and half annas. Such a measure is undemocratic and we cannot entrust and authorise the Government to include any kind of commodity in the Schedule and to enhance the rate. Such a provision is not found either in the Bengal Act or the Bombay Act. I shall be glad if the Minister can enlighten me about this. My submission is, if any other commodity is included in the Schedule and if Government wants to levy tax on that, such a measure should come before this House and get approved by this House. The Government by themselves should not include any commodity in the Schedule and levy tax. So, we cannot agree to this measure.

Another thing is, Government, in the initial stages, wanted to levy tax at high rates. In some cases they wanted to levy sales tax up to two annas. Thanks to the brave Opposition, they did their best to help the country and but for their opposition I do not know what would have happened.

Sri A. BHEEMAPPA NAIK.—Thanking yourself, is it?

Sri J. MOHAMED IMAM.—Yes; the Opposition has come to the rescue of the country and to the rescue of the people and most of our suggestions have been agreed to. The whole country knows about it.

Sir, the Select Committee has lowered the rate in many cases, but still the Bill requires improvement. I would have been very glad if the rates had been uniform. But they have discriminated one article from the other. On one article it is six pies and on the other it is nine pies, on some other it is one anna and so on. It would be a very great hardship for the person to maintain different accounts and different ledgers. In Bengal, for instance, they have levied a uniform rate of nine pies on all commodities. Another thing is, here you have got both the kinds of taxes; you levy tax at the source and also have the multi-point system. But in States where there is single point, they have avoided the multi-point system. Here, the whole thing is a confusion because of the adoption of different rates with respect to different commodities, different systems of taxation and over and above all this, you want to take this power of including any commodity in the list and to levy tax up to $1\frac{1}{2}$ annas. Therefore, Sir, my amendment is very reasonable and I am sure the House will endorse this.

Mr. SPEAKER.—Amendment moved:

"That in the proposed sub-section (2) (*b*) of Section 3, for the words 'one and half annas' the words 'one anna' shall be substituted."

Sri A. G. RAMACHANDRA RAO.—Sir, I regret for the amendment. We cannot tamper with the Schedule, as the Leader of the Opposition himself knows. It will be there till it is brought before the Legislature and amended. About articles, some of them are ordinary and some of them are articles of luxury and they require

different treatment. Sufficient latitude must be with the Government. By way of notification it will come before the House also. Therefore, I submit what has been suggested in the Bill is very reasonable and should be accepted by this House.

Sri J. MOHAMED IMAM.—I seek the leave of the House to withdraw the amendment.

The amendment was, by leave, withdrawn.

* Sri M. V. RAMA RAO.—Sir, I move :

"At the end of the proviso to the proposed sub-section (2) (*b*) the following proviso shall be added, namely—

'Provided further that every notification issued under this clause shall be laid before the Legislative Assembly as soon as may be after it is issued and shall be subject to such modification as may be made by the Legislative Assembly by resolution moved in this behalf'."

It will be seen, Sir, that the proposed sub-section (2) (*b*), printed on page 3 of the Select Committee Report reads like this :

"The State Government may by notification amend Schedule I by the addition of any other goods and specify the rate at which and the point in the series of sales at which the tax is payable in respect of such goods, subject to the condition that the rate of tax so specified shall in no case exceed one and half annas on every rupee of the turnover ; and on the publication of such notification in the *Mysore Gazette*, Schedule I to this Act shall be deemed to have been amended accordingly :

Provided that no addition to Schedule I shall be made under this clause of any goods declared to be essential for the life of the community by the Essential Goods (Declaration and Regulation of Tax on Sale or Purchase) Act, 1952."

My amendment seeks to introduce a further proviso to the effect that every notification issued under this clause shall be laid before the Legislative Assembly as soon as it is made and shall be subject to such modification as the Assembly may make by resolution in this behalf. Sir, in an informal exchange of views the Hon'ble the Minister in charge of the Bill at the moment took a position that this is virtually asking that the Legislature should have executive powers; that is how he looked at it.

Sri A. G. RAMACHANDRA RAO.—That is one aspect of it.

Sri M. V. RAMA RAO.—That is one aspect of it. With respect to that particular aspect of it, Sir, I should like to say this, that the power conferred by the proposed sub-section on the Government is to add other goods to Schedule I and to make them liable to single point taxation subject, of course, to the maximum limit of the tax which has been fixed at $1\frac{1}{2}$ annas on every rupee of the turnover. Schedule I, it will be seen, deals with goods subject to tax at single point and the Select Committee, which has discharged the functions of the Legislature in drawing up a Schedule somewhat different from the original Schedule contained in the original Bill, has taken sufficient pains to make the list as exhaustive as might have appeared to it expedient. Now, with a view to enable the Government to add to such list in Schedule I any other goods which, in the opinion of the Government, are to be taxed at a single point and at some rate not exceeding $1\frac{1}{2}$ annas per rupee, it is proposed in this sub-section to confer the authority on the Government for including such goods in Schedule I by issuing a notification. It is this House which confers that authority by the incorporation of this sub-section in the Act. All that I am asking is that, after such authority has been exercised by Government and without detriment to the exercise of that authority so conferred on Government, without seeking to place any fetters whatever upon the free exercise of that authority by Government in the manner they think fit after such notification has been made, a reasonable

(SRI M. V. RAMA RAO.)

opportunity should be afforded to this House to see what goods have been added to the list contained in Schedule I.

2 P.M.

It was also suggested by the Hon'ble Minister yesterday in the course of the debate when I referred to this point in my speech that such an opportunity would be otherwise available to this House and I had occasion to interject by way of reply that no legislation can be amended otherwise than by bringing an amending Bill and the chances of amending any legislative measure by means of a private member's Bill are so severely limited that the prospects of effecting any amendment of that kind by means of a private member's Bill are practically nil. Therefore, I suggest that such notification, after it has been actually made, should be placed on the Table of this House as soon as may be after it has been made so that this House may look into it and express its views by a resolution moved in that behalf if a necessity arises as to whether the addition so made is, in the opinion of the House, reasonable or not reasonable. This I would state is not asking for the conferment of any executive authority on this House. I do not think that such an interpretation ought to be given to this very innocent amendment. All that it seeks to do is to have an opportunity for scrutiny of the delegated legislative power that would be exercised by the Government on behalf of the Legislature. And that scrutiny is after the exercise has been made. There is hardly any reason why the Government need feel apprehensive about either the effect of the amendment or of any unrecognised intentions behind it. All that I can say is that it is a reasonable amendment and I hope the Government will accept it.

MR. SPEAKER.—Amendment moved:

'That at the end of the proviso to the proposed sub-section (2) (*b*) the following proviso shall be added, namely—

"Provided further that every notification issued under this clause shall be laid before the Legislative Assembly as soon as may be after it is issued and shall be subject to such modification as may be made by the Legislative Assembly by resolution moved in this behalf".'

SRI M. RAJASEKHARA MURTHY (Yelandur).—I wholeheartedly support the amendment moved by my esteemed friend Sri M. V. Rama Rao.

A MEMBER.—So, you are not moving yours?

SRI M. RAJASEKHARA MURTHY.—In the learned argument advanced by him, he has established beyond doubt that the Legislature should have the power of scrutiny and revision of all the orders and rules framed by the Executive under the authority of delegated legislation. As such . . . .

SRI M. V. RAMA RAO.—I am afraid he has not understood me well. I have no objection to his views being taken on his own responsibility.

SRI M. RAJASEKHARA MURTHY.—That is how I have understood him. If it is not correct, it is because he has not made it clear to me. As far as possible delegated legislation given to the Executive by the Legislature may be convenient. And it is also a fact that delegated legislation affords suitable opportunities for the Executive to meet all emergencies in view of the increased activities of the Government. But with all these benefits and advantages of delegated legislation, we should not lose sight of the dangers it brings with it. In the first place, may I point out that it is not safe in a democratic set-up to entrust the Executive with supreme powers, because sometimes the Executive acts like a wild horse which takes the rider off the track? Sometimes enormous powers . . . . .

A MEMBER.—You do not know how to ride a horse!

SRI M. RAJASEKHARA MURTHY.—Enormous powers entrusted to the Executive will amount to negation of democracy. Therefore, in the interest of the tax-payer and the freedom of the people, it is not desirable to entrust more powers to the Executive, because the Executive is likely to abuse the powers.

We can also see that the rules made by the Executive are subject to scrutiny as provided in the Madras Sales Tax Act in Section 3 and sub-section (4) which reads as follows :

"(4) For the purposes of this section and the other provisions of this Act, turnover shall be determined in accordance with such rules as may be prescribed:

Provided that no such rules shall come into force unless they are approved by a resolution of the Legislative Assembly."

It is also the practice in Parliament. Section 1 of the Emergency Powers (Defence) Bill of 1939 reads as follows :—

"1. (1) Subject to the provisions of this section, His Majesty may by Order-in-Council make such Regulations (in this Act referred to as 'Defence Regulations') as appear to him to be necessary or expedient for securing the public safety, the Defence of the Realm, the maintenance of public order and the efficient prosecution of any war in which His Majesty may be engaged, and for maintaining supplies and services essential to the life of the community . . ."

Section 8 reads as follows :—

"(1) Every Order-in-Council containing Defence Regulations shall be laid before Parliament as soon as may be after it is made.

(2) If either House of Parliament, within the next 29 days on which that House has sat after such an Order-in-Council as aforesaid is laid before it, resolves that the Order be annulled, the Order shall thereupon ceases to have effect except as respects things previously done or omitted to be done, without prejudice, however, to the making of a new Order."

Thus even in Britain Legislature has given power to the Executive to make rules and also it is laid down that all such rules framed by the Government must be subject to scrutiny and revision by the Legislature.

In accordance with the powers delegated to the Executive under the Defence of the Realm Act, the following orders were passed by the Executive.

"The Secretary of State, if satisfied, with respect to any particular person, that with a view to preventing him acting in any manner prejudicial to public safety or defence of the Realm, it is necessary so to do, may make an order detaining him without trial."

This is an order passed by the Executive on the authority of delegated legislation. Members of the Legislature felt that the order would take away the rights of an individual. So they moved a Prayer to His Majesty to annul these rules. The Prayer is as follows :—

"On the 31st October, Mr. Dingle Foot rose in his place and moved :—

That an humble Address be presented to His Majesty praying that the Order-in-Council amending the Defence Regulations dated 1st September 1939, made under Section 1 of the Emergency Powers (Defence) Act, 1939, a copy of which was presented to this House on the Fifth Day of September last, be annulled."

These are the powers of revision and scrutiny given to the Legislature. There are two types of resolutions: positive and negative forms. In matters of very much importance and also in matters of financial measures, power of moving affirmative resolution has been given to the Legislature. On the special report from the Select Committee on Statutory Rules and Orders it is said—

"In the third place, your Committee note the apparent absence of any principle determining the choice between the procedure by affirmative resolution and the procedure for the annulment of rules and orders by adverse prayer. Rules and orders imposing taxation or modifying the terms of a Statute should in their view require the

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authority of an affirmative resolution, but they are not convinced that orders such as those for the local opening of cinemas under the Sunday Entertainments Act, 1932 should be in the same category."

So, it is now clear that in the case of important matters orders made by the Executive should be subject to the scrutiny and revision by the Legislature and that can be done by moving a resolution in the affirmative form. In so far as other matters are concerned, the rules framed by the Executive may be annulled, as is done, by prayer moved by the members of the Parliament, as is done, to His Majesty. Therefore I feel that the amendment moved by Sri M. V. Rama Rao may be accepted.

*Sri K. PATTABHIRAMAN (Kolar).—Sir, not that I have risen to speak because the next amendment is not proposed to be moved by my friend to my right, but I would rather content myself with saying a few words on the amendment now before the House. I would request the Hon'ble Minister in charge to appreciate in what spirit we, particularly myself and my friend from Nanjangud Sri M. Linganna, spoke on the original Bill itself. We expressed our views on the proposed delegated legislation which indirectly is sought to be introduced, in the course of the discussion. I am really somewhat sorry that our views did not commend themselves to the members and that one of them is showing his protest even as I am standing now, suggesting that I am going out of the way. That our views did not commend themselves to the members of the Select Committee is a matter really of some amount of sorrow to me. Nevertheless, this is what I would like to say. Now, the proposal before the House in this clause is this:

"(b) The State Government may by notification amend Schedule I by the addition of any other goods and specify the rate at which and the point in the series of sales at which the tax is payable in respect of such goods, subject to the condition that the rate of tax so specified shall in no case exceed one and half annas on every rupee of the turnover. . . ."

What I want to impress upon the House is this. There are two misconceptions which the Hon'ble Minister in charge has made himself responsible for and to which reference has been made by Sri M. V. Rama Rao. One is, he seems to have thought that by accepting any other amendment, either of the nature of Sri Rama Rao's as proposed or of the nature of the amendment of Sri Rajasekhara Murthy, had he moved his amendment, that would have shaken the executive responsibility for the measure. I am sure there is a deep-rooted misconception which I would, in all humility, plead with the Hon'ble Minister in charge, to remove. As a matter of fact, the supreme authority vests in this body to make or to throw away any financial liability. It is an undoubted and exclusive privilege that only this Legislature can exercise. Therefore to the extent to which we can delegate power to the Executive to do something, in effect, it can only purport to mean that the Executive can act on behalf of the Legislature and not independently. Therefore the right that exists in this House in respect of financial responsibility in respect of any taxation measure, making a particular commodity liable for sales tax, is one of the undoubted and supreme powers of a sovereign body as it were which only this House exclusively can exercise. Therefore, by accepting the notification there is nothing like saying there was some power vesting in the Executive Government and the Government would have to share it with the Legislature. This is the argument which I would request the Minister to disabuse his mind about. It does not follow whether indirectly or directly that, by being a party to this clause, the Government are trying to share our legislative powers. On the other hand, we must be very zealous of maintaining that supreme power. What is the object? The Constitution is very clear. This right to levy a tax, to make a commodity liable for sales tax, is a right which

only the Legislature can exercise. Neither the Executive nor the Judiciary can be parties to it, can effectively or otherwise exercise any remedy. Therefore I say it would be perfectly fair and very much just to ask—and I take it, it is within the competence of this House—if the Government would accept this restriction, because it is taking away certain powers which otherwise exist in the Executive, in order to give full consent and fulfil the object and the purpose for which the Constitution meant this Legislature to enact. Therefore, it is one of the misconceptions. I know the mutual regard that we have for each other is great and I confess that when I used this expression, I used it in the usual legal parlance.

The other thing I was considering is this. Suppose we become a party to a clause of this kind. We empower the Government to issue a notification by which several commodities are brought in the list. I want one particular view to be brought home to the Hon'ble Minister. If you fix the liability, if you begin to collect from somebody without reference to a definite assertion, to any definite right and liability enacted by competent legislature, by a kind of executive order like that or in other ways, whether you will be within the competence of the law without an affirmative resolution of this House, is a matter that we want you to consider.

And in fact the tendency now-a-days is increasingly to resort to exercise powers under what is called the delegated authority under which the Executive exercises power on behalf of the Legislature and when they say that a particular person is made liable for income-tax under such and such a power, it must be by definite law passed by the Legislature. You can conveniently sitting in your Chamber say to-morrow that such and such a commodity may be taxed at 6 pies or nine pies or 1½ annas. To exercise delegated power of the Legislature even in respect of financial measures like this, I feel, it may not be that the Government is on sure ground. That is one aspect I want the Government to consider. That is why you find that reference is made in the extract from the Report of the House of Commons read out just now. They draw a distinction between an affirmative resolution and a negative resolution. What exactly it amounts to is, this legislation will be empowering you to include in the Schedule as and when you think best, as circumstances otherwise permit, any commodity being brought into the Schedule for taxation. That is a negative resolution. You ask us to accept this clause and give you the power to enhance the rate of tax or to include any commodity in the Schedule. So far as those persons in respect of whom this liability is indirectly sought to be applied, I am afraid, they may resist and justifiably resist, and say that this is a power which, as far as a financial measure is concerned, cannot be distributed and shared with the Executive or with the Judiciary. It is the Legislature and the Legislature alone which should exercise this power. Even if by a resolution of this kind, the power is given to the Executive, nevertheless, you cannot exercise it in respect of a financial measure like this because it is the exclusive right of the Legislature alone to act; and to the extent to which an affirmative resolution is added on and we say definitely that such and such a commodity shall be included in the Schedule and tax collected at nine pies, it may be perfectly all right. Even if we pass a resolution in an affirmative and positive way, and even if we are generous enough to delegate this power to the Government or to the Hon'ble Minister in charge of this Bill, even supposing you say that by a positive resolution in the case of a financial matter, a money Bill like this, where financial liability is assessed upon a person, even such a resolution may not cloth the Government with the proper authority. Therefore I ask that the Government should not behave like a drowning man catching at a straw. I really thank my friend Sri Rama Rao for suggesting this wholesome and salutary amendment which is very reasonable and which is worthy of acceptance by the Government. I know there is the next amendment for the deletion of the entire

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sub-clause with its proviso, but I know it will not succeed on technical grounds. That is why I say that the amendment of Sri Rama Rao, even if accepted, will be only a palliative and it amounts to a negative resolution passed in an indirect manner to empower Government to amend the Schedule whenever circumstances warrant. I am very glad that Sri Rama Rao has studied all aspects of the question and advanced very concrete suggestions while moving the amendment and, as I already said, it is only a palliative. The effect of the amendment, if it is accepted, is that the Government can take the initiative to include any commodity in the Schedule for the purpose of taxation and as early as possible lay that notification before the Legislative Assembly and it will be open to this House to amend the notification or to accept it by a resolution duly passed. I am afraid that you are not standing upon firm ground although you will get the necessary competence. Even supposing it is improved upon, - possibly it may just be that I am not correct and the Hon'ble Minister may be correct, I am prepared to concede that,—I will say that it is at best a palliative, because the House and House alone is entitled to exercise that legislative competence and if by this clause that authority is to be delegated to the Government to enhance the rate of tax or to include any other commodity as the case may be, it is only, as I said, a negative resolution and not an affirmative resolution. Therefore, what I request the Hon'ble Minister is to consider sympathetically the amendment moved by my Hon'ble friend Sri Rama Rao and I personally think that it should not be difficult for Government to accept the amendment. After all the mover of the amendment had been very generous. He says, you can exercise the power by a notification as you propose to do under this clause, but should bring that notification before this House as soon as possible so that it may also have legislative sanction. I should rather think that it will be both wisdom and prudence on the part of the Executive which seeks to take some power under this clause to follow this procedure even in their own interest because it will go a long way in clearing many a misunderstanding that may exist. I, therefore, whole-heartedly endorse the amendment of Sri Rama Rao and request the Hon'ble Minister in charge to accept the amendment to overcome all these difficulties.

ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.—ಸ್ವಾಮಿ, ಈಗ ಶ್ರೀಮಾನ್ ರಾಮರಾಯರು ಸೂಚಿಸಿರತಕ್ಕ ತಿದ್ದುಪಡಿ ಬಹಳ ಪರಿಣಾಮಕಾರಿಯಾಗಿರತಕ್ಕದ್ದು. ಇದರಲ್ಲಿ ಬಹಳ ಮುಖ್ಯವಾದ ತತ್ವಗಳು ಅಡಗಿವೆ. ಅವನ್ನು ಅವರು ಸ್ಪಷ್ಟಪಡಿಸಿದ್ದಾರೆ, ನಾನೂ ಒಪ್ಪುತ್ತೇನೆ; ಮತ್ತು ಈ ತಿದ್ದುಪಡಿಯನ್ನು ತಂದದ್ದಕ್ಕಾಗಿ ನಾನು ಅವರಿಗೆ ಋಣಿಯಾಗಿದ್ದೇನೆ. ಅಷ್ಟೇ ಅಲ್ಲದೆ ಶ್ರೀ ರಾಜಶೇಖರ ಮೂರ್ತಿಯವರೂ ಮತ್ತು ಪಟ್ಟಾಭಿರಾಮನ್ ಅವರೂ ಕೂಡ ಈ ವಿಷಯದಲ್ಲಿ ಎಷ್ಟು ಸಲಹೆಗಳನ್ನು ಕೊಡಬಹುದೋ ಅಷ್ಟನ್ನೂ ಕೊಟ್ಟಿದ್ದಾರೆ. ಅದಕ್ಕಾಗಿ ಅವರಿಗೂ ಕೂಡ ವಂದನೆಗಳನ್ನು ಅರ್ಪಿಸುತ್ತೇನೆ. ಮುಖ್ಯವಾದ ಆಶಯ ಇಷ್ಟೆ. ಈ ಸಭೆಗೆ ನಿರ್ದಿಷ್ಟವಾಗಿ ತೆರಿಗೆ ಹಾಕುವ ಕರ್ತವ್ಯವನ್ನೂ, ಅಧಿಕಾರವನ್ನೂ ಕೊಟ್ಟಿದ್ದೇವೆ. ತೆರಿಗೆಹಾಕಿದರೆ, ಅದು ಊರ್ಜಿತವಾಗುತ್ತದೆಯೇ ಎಂಬ ಪ್ರಶ್ನೆ ಇದರಲ್ಲಿ ಅಡಗಿದೆ. ಅದನ್ನು ಪಟ್ಟಾಭಿರಾಮನ್‌ರವರು ಹೇಳಿದರು. ಈ ತತ್ವವನ್ನು ಒಪ್ಪಿಕೊಳ್ಳುತ್ತೇನೆ. ಅಷ್ಟೇ ಅಲ್ಲದೆ ಒಂದು ಪರಿಹಾರವನ್ನೂ ಕೂಡ ಅವರು ಸೂಚನೆ ಮಾಡಿದ್ದಾರೆ. ಅದು ನ್ಯಾಯವಾದ ಪರಿಹಾರವಾಗಿದೆ. ತಿದ್ದುಪಡಿ ಕಾನೂನನ್ನು ತಂದು ವ್ಯವಹಾರದ ರೀತಿಯಲ್ಲಿ ಹಾಕತಕ್ಕದ್ದು ಕಷ್ಟ. ಅದನ್ನೂ ಕೂಡ ಅವರು ನಮೂದಿಸಿದ್ದಾರೆ. ಆದ್ದರಿಂದ ಒಂದು ವೇಳೆ ಯಾವುದಾದರೂ ಲೋಪವಿದ್ದರೆ,-ಇದ್ದೇ ಇದೆ ಎಂದು ಹೇಳುವುದು ಬಹಳ ಕಷ್ಟ.—ಅದನ್ನು by ratification ಮಾಡಿದ ಹಾಗಾಗುತ್ತದೆ ಎಂಬ ಭಾವನೆ ಮಾನ್ಯ ಸದಸ್ಯರಲ್ಲಿದೆ ಎಂದು ಅರ್ಥವಾಗುತ್ತದೆ. ಅಲ್ಲದೆ ಆದಷ್ಟು ಜಾಗ್ರತೆ ಈ ಸಭೆಯಮುಂದೆ ಪ್ರಜಾ ಪ್ರಭುತ್ವಕ್ಕನುಗುಣವಾಗಿ ಬಂದು ಅನುಮೋದಿಸಲ್ಪಟ್ಟಿದೆ ಎಂದು ಹೇಳಿದರೆ ಅದರಲ್ಲಿರತಕ್ಕ ದೋಷ ಪರಿಹಾರವಾದ ಹಾಗಾಯಿತು ಎಂಬ ಆಶಯ ಇಟ್ಟುಕೊಂಡು ಹೇಳಿದ್ದಾರೆ. ಅದಕ್ಕೆ ಒಪ್ಪಬೇಕು. ಅದನ್ನು ನಾನು ಖಂಡಿತ ಒಪ್ಪಿಕೊಳ್ಳುತ್ತೇನೆ.

Mr. SPEAKER.—The question is:

'That at the end of the proviso to the proposed sub-section (2) (*b*) the following proviso shall be added, namely—

"Provided further that every notification issued under this clause shall be laid before the Legislative Assembly as soon as may be after it is issued and shall be subject to such modification as may be made by the Legislative Assembly by resolution moved in this behalf".'

The motion was adopted.

Sri M. RAJASEKHARA MURTHY.—I am not moving my amendment, Sir.

Mr. SPEAKER.—The question is :

"That Clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Mr. SPEAKER.—Clause 4.

Sri M. RAJASEKHARA MURTHY.—I am not moving the amendment.

Mr. SPEAKER.—The next amendment stands in the name of Sri J. Mohamed Imam.

Sri J. MOHAMED IMAM.—I am not moving the amendment.

Mr. SPEAKER.—The question is :

"That Clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

Mr. SPEAKER.—Clause 5.

***Sri M. V. RAMA RAO.**—Sir, I move :

'That at the end of sub-clause (3) the following words shall be added namely—

"and to the said sub-section (3) the following proviso shall be added :—

"Provided that every notification issued under sub-section (2) shall be laid before the Legislative Assembly as soon as may be after it is issued and shall be subject to such modification as the Legislative Assembly may make by a resolution moved in this behalf".'

Clause 5 proposes to make certain amendments in Section 6 of the existing Mysore Sales Tax Act. One of the amendments proposed in clause 5 is the omission of the words "power to Government to notify." This is done in sub-clause (1) of clause 5 ; and sub-clause (2) of clause 5 proposes that "before sub-section (2) as renumbered, the following sub-section shall be inserted, namely :—

"(1) No tax shall be payable under this Act on the sale of goods specified in Schedule III, subject to the conditions and exceptions, if any, set out therein."

And sub-clause (3) provides that :

"In sub-section (3) as renumbered for the words, brackets and figure, 'sub-section (1)' the word brackets and figure 'sub-section (2)' shall be substituted."

My amendment seeks to add a proviso which I have already read out to the House. It will be seen that Section 6 confers upon the Government, authority to make, by means of notification in the official Gazette, any exemption or reduction in rate in respect of any tax payable under the Act :

"(i) on the sale of any specified class of goods at all or at specified point or points in the series of sales by successive dealers ; or

(ii) by any specified class of persons, in regard to the whole or any part of their turn over.

Any exemption from tax, or reduction in the rate of tax, notified under sub-section (1)—

(a) may extend to the whole of Mysore or to any specified area or areas therein ;

(b) may be subject to such restrictions and conditions as may be specified in the notification, including conditions as to licence and licence fees."

The exercise of the authority conferred on Government by Section 6 of the existing Act as amended in the manner proposed by Clause 5 of the amending Bill and for the same reasons as have been canvassed a few minutes earlier when the House was passing Clause 3 of this Bill, should be subject to the legislative scrutiny such as would be exercised in respect of additions to Schedule I of the Act. If any exemptions from taxation are granted or any reductions in the rates of taxation are made either in respect of any set of persons or in respect of any specified area in the State of Mysore, to that extent, Sir, the operation of a taxing statute would be limited in its scope, extent and

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effect. Therefore, it would be most appropriate that any such exemption or reduction in taxation made or granted by the exercise of legislative authority delegated to Government by statute at the instance of the new section introduced by the amendment contained in Clause 5, should be subject to examination, scrutiny and if necessary, modifications by the Legislative Assembly. Without repeating the arguments that have been already advanced when the House was debating Clause 3,—and the Hon'ble Minister was so good as to accept the amendment that was proposed,—I commend this amendment for the acceptance of the House.

2-30 P.M.

MR. SPEAKER.—Amendment moved :

'That at the end of sub-clause (3) the following words shall be added, namely—

"and to the said sub-section (3) the following proviso shall be added :—

"Provided that every notification issued under sub-section (2) shall be laid before the Legislative Assembly as soon as may be after it is issued and shall be subject to such modification as the Legislative Assembly may make by a resolution moved in this behalf."

SRI A. G. RAMACHANDRA RAO.—Sir, there can be little discussion on this for the simple reason that this does not impose any taxation. It only gives power to reduce or take away and include it in the exemption list.

SRI M. V. RAMA RAO.—Then, I shall take advantage of the suggestion, Sir, and explain the need for the amendment in a little greater detail. Section 6 of the Act, Sir, would bear a second reading. In the amending Bill it would read as follows :

"Government may, by notification in the official Gazette, make an exemption, or reduction in rate, in respect of any tax payable under this Act—

(i) on the sale of any specified class of goods at all or at specified point or points in the series of sales by successive dealers ; or

(ii) by any specified class of persons, in regard to the whole or any part of their turnover."

The effect of the exercise by Government of the authority conferred by this part of Section 6 of the existing Sales Tax Act will be a possible exemption of a specified class of persons from liability to payment of sales tax in regard to the whole or any part of their turnover. That, I would say, is a substantial variation of the effect and of the operation of a taxing statute by executive notification. If the power to exempt from the liability to payment of sales tax is exercised by the Government, then, there is hardly any reason why any case or cases in which such power has been exercised so as to exempt any specified class of persons in respect of their liability to pay tax on the whole or any part of their turnover, should not be placed before the Legislative Assembly so that the House may have an opportunity of informing itself as to the grounds upon which Government thought it fit to make that exemption or reduction in the rate of taxation. Then again, any such action on the part of Government may have relation to the exemption from taxation in relation to the sale of any specified class of goods wholly or at specified point or points in the series of sales by successive dealers. So far as this existing Section 6 is concerned, my view is that such a power cannot, in fact, be exercised by Government because of the foot-notes which have been inserted at the bottom of Schedule I with reference to the various commodities which have been included in schedule I. There are three kinds of foot-notes. Foot-note (*a*) says :

"The point of levy of tax will be the sale by the first or earliest of the successive dealers (other than the grower of agricultural and horticultural produce) having a place of business in the State of Mysore to whom the provisions of sub-section (3) of Section 3 do not apply."

Foot-note (*b*) says:

"The point of levy of tax will be the first sale in the State of Mysore by a grower or the sale by the first or earliest of the successive dealers having a place of business in the State of Mysore to whom the provisions of sub-section (3) of Section 3 do not apply."

And foot-note (*c*) says:

"The point of levy of tax will be the first purchase in the State of Mysore by the first or earliest of the successive purchasers having a place of business in the State of Mysore to whom the provisions of sub-section (3) of Section 3 do not apply irrespective of the fact whether the seller is a grower or not."

In part I of the first Schedule to the amending Bill it will be seen, Sir, and readily recognised by the Hon'ble the Minister in charge of this Bill, that since the general scheme of our sales tax legislation has been changed so as to effect a swing from the multi-point system to a single point system, this particular clause, sub-section (1) of Section 6 of the existing Act, would really have to be deleted, though I have not made any such suggestion; but, I think, the Hon'ble Minister will see that Government, even if they wish, cannot by notification in the Official Gazette, make any exemption or reduction in rate in respect of any tax payable on the sale of any specified class of goods or at specified point or points in the series of sales by successive dealers, because these matters have been conclusively determined and settled by the amending Bill generally and by Schedule I in particular and more particularly by the insertion of these foot-notes (a), (b) and (c). Therefore the extent to which Section 6 would remain operative with reference to the exercise by Government of its powers by means of a notification in the Official Gazette to grant an exemption or reduction in the rate of tax, would be or could be only in respect of any specified class of persons in regard to the whole or any part of their turn over. To me it seems that Government would be retaining power in their hands which they would never care to use or exercise. It is, if I may say so, a very contrary sort of legislative authority which Government have reserved to themselves. I can never conceive of a case where Government, by an exercise of authority under Section 6 of the Sales Tax Act, would deprive themselves of sales tax revenue by granting a total exemption or making a reduction in the rate of taxation in respect of a specific class of persons with reference to the whole or part of the turnover of such class of persons. So, however unlikely the exercise of the authority under this Section 6 may be in actual practice, I would suggest that, if by chance an occasion should arise when Government might be impelled or pursuaded into exercising the authority under Section 6 so as to grant an exemption or to make a reduction in the rate of taxation in respect of any specified class of persons, such exercise of authority should also be placed before the Legislative Assembly so that the reasons or the grounds upon which such exercise of authority had been made by Government might be approved by the House so as to invest an executive act with the legislative sanction. Therefore, Sir, I really consider that there is not such a distinction between this amendment and the other amendment which the Hon'ble the Minister was so good as to accept, as might be inferred from certain remarks that the Hon'ble the Minister made with reference to this amendment. It will be seen that the further amendment in Section 6 of the Act proposed by the amending Bill in Clause 5 is to this effect that another sub-section shall be inserted in Section 6 which would say that no tax shall be payable under this Act on the sale of goods specified in Schedule III, subject to the conditions and exceptions, if any, set out therein. The net effect of all these amendments of Section 6 would be: firstly, Government, by statute, is prevented from imposing or levying any sales tax in any manner upon any of the goods listed in Schedule III, and, in respect of goods listed in Schedule I, the rate of tax and the

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point of incidence have been so determined by the statute as to leave no discretion to the Government either to change the point of incidence or to change the rate of taxation. And thirdly, the power of Government to grant exemptions in the case of any specified class of business from liability to pay turnover tax in respect of the whole or any part of the turnover is retained so that the Government, while they may not be authorised either to reduce the rate of tax or raise the point of incidence of tax as determined in Schedule I of the amending Bill, would be left with power the exercise of which may be calculated to deprive the Government of the revenue which it needs and, may I say, it badly needs. Therefore, although there is hardly any prospect of the Government exercising the power retained for it under Section 6 as it now exists, because the effect of any such exercise of power will be to deprive the Government of its revenues, still I would commend my amendment for the acceptance of the House and of the Hon'ble the Minister, because the principle of it is the same principle which I explained before when dealing with Clause 3 and it is in no manner different from the principle contained in the amendment which the Hon'ble the Minister has been so good as to accept.

ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.—ಸ್ವಾಮಿ ದೀರ್ಘವಾದ ಮಾನ್ಯ ಸದಸ್ಯರ ಟಿಪ್ಪಣಿ ಕೇಳಿದ ಮೇಲೂ ಅದನ್ನು ಒಪ್ಪಿಕೊಳ್ಳುವುದಕ್ಕೆ ಸಾಧ್ಯವಿಲ್ಲ ಎಂದು ಹೇಳಬೇಕಾಗಿದೆ. ಹಿಂದಿನ ತಿದ್ದುಪಡಿಯನ್ನು ಒಪ್ಪಿಕೊಂಡಿದ್ದರೂ, ಅದೂ ಇದೂ ಒಂದೇ ರೀತಿಯ ಸ್ವರೂಪ ತಾಳಿದ್ದರೂ ಸಹ ಇದರಲ್ಲಿ ಬೇರೆ ತತ್ವ ಅಡಗಿದೆ. ಈ ತೆರಿಗೆಯನ್ನು ಹೆಚ್ಚಿಸುವ ಅಥವಾ ಕಡಮೆ ಮಾಡುವ ಅಧಿಕಾರ ಸರ್ಕಾರಕ್ಕಿರಬೇಕು. ಅಲ್ಲದೆ ಈ ಕಾನೂನನ್ನು ಇಂಥಿಂಥ ಕಡೆ ಅನ್ವಯಿಸಬೇಕು, ಇಂಥ ಕಡೆ ಬಿಡಬೇಕು ಎಂಬ discretion ಸರ್ಕಾರಕ್ಕಿರಬೇಕು. ಆದುದರಿಂದ ಇದನ್ನು ಒಪ್ಪಿಕೊಳ್ಳುವುದಕ್ಕಾಗುವುದಿಲ್ಲವೆಂದು ವಿನಂತಿಮಾಡಿಕೊಳ್ಳುತ್ತೇನೆ.

ಶ್ರೀ ಎಂ. ವಿ. ರಾಮರಾವ್.—ಈ ತಿದ್ದುಪಡಿಯ ಉದ್ದೇಶ ಸಾಧ್ಯವಾದಷ್ಟು ಜನರಿಗೆ ಪರಿಹಾರ ಒದಗಲಿ ಎಂಬುದೇ ಹೊರತು ಸರ್ಕಾರಕ್ಕಿರುವ ಅಧಿಕಾರವನ್ನು ಮೊಟಕು ಮಾಡಬೇಕೆಂದಲ್ಲ.

ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.—ಈ ವಿಚಾರದಲ್ಲಿ ಸಂದರ್ಭಾನುಸಾರ ತಕ್ಕ ರೀತಿಯಲ್ಲಿ ವರ್ತಿಸುವುದಕ್ಕೆ ಸರ್ಕಾರಕ್ಕೆ ಪೂರ್ಣ ಅವಕಾಶವಿರಬೇಕು. ಈ ತಿದ್ದುಪಡಿಯನ್ನು ಒಪ್ಪಿಕೊಳ್ಳಲು ಸಾಧ್ಯವಿಲ್ಲ.

Sri M. LINGANNA (Nanjangud).—On a point of information, Sir. May I know what is the exact difference between this particular amendment and the original one to Clause 3 which the Hon'ble Minister was pleased to accept? This particular clause pertains to the negative portion of the executive power and the other one refers to the positive action, that of bringing in additional articles under Schedule I and imposing new taxation. What is exactly the difference in principle between the two? If the Government were pleased to accept the original amendment, what prevents them from accepting this particular amendment?

Sri A. G. RAMACHANDRA RAO.—Government have got large powers and if this power is going to be withdrawn, I think it will be difficult for the Government to function. Therefore, this power of Government giving relief in respect of a class of persons and commodities, should be there and I oppose the amendment.

Sri M. V. RAMA RAO.—Since he is not prepared to accept the amendment, I seek the leave of the House to withdraw my amendment.

The amendment was, by leave, withdrawn.

Mr. SPEAKER.—Clauses 5, 6, 7, and 8. The question is.

"That Clauses 5, 6, 7 and 8 stand part of the Bill.

The motion was adopted.

Clauses 5, 6, 7 and 8 were added to the Bill.

Mr. SPEAKER.—New Clause 9.

Sri A. G. RAMACHANDRA RAO.—Sir, I move the amendment:

'After Clause 8, the following Clause shall be inserted and Clauses 9 to 18 shall be renumbered as Clauses 10 to 19.

"9. Insertion of a new section 11A in Mysore Act XLVI of 1948.—After section 15 of the principal Act, the following section shall be inserted, namely.—

11-A. State Government entitled to collect tax as registered dealers. Notwithstanding anything contained in this Act, the State Government shall, in respect of any sale of goods effected by them, be entitled to collect by way of tax any amount which a registered dealer effecting such sale would have been entitled to collect by way of tax under this Act." '

ಸ್ವಾಮಿ, ಮೈಸೂರು ಸಂಸ್ಥಾನದಲ್ಲಿ ವ್ಯಾಪಾರ ಮಾಡತಕ್ಕವರೆಲ್ಲರೂ ಸಹ ವ್ಯಾಪಾರ ಮಾಡತಕ್ಕಂಥ ಪದಾರ್ಥಗಳ ಮೇಲೆ ತೆರಿಗೆ ಕೊಡಬೇಕೆಂದು ವಿಧಾಯಕವಾಗಿದೆ. ಮೈಸೂರು ಸರ್ಕಾರದವರು ಸಹ ಭದ್ರಾವತಿ ಕಬ್ಬಿಣ ಕಾರ್ಖಾನೆಯಲ್ಲಿ ತಯಾರಾಗತಕ್ಕ ಸಾಮಾನುಗಳ ಬಗ್ಗೆ ನೇರವಾಗಿ ವ್ಯಾಪಾರ ಸಂಬಂಧ ವನ್ನಿಟ್ಟುಕೊಂಡಿರುತ್ತಾರೆ. ಆದರೆ dealer ಎಂಬ ಪದಕ್ಕೆ ಈಗ ಹೊಸ definition ಕೊಟ್ಟಿರುವುದರಿಂದ ಮೈಸೂರು ಸರ್ಕಾರ ಏಜೆಂಟರ ಮೂಲಕ ವ್ಯಾಪಾರ ಮಾಡುವುದಕ್ಕೂ ಇದು ಅನ್ವಯಿಸುತ್ತದೆ......

Sri RAJASEKHARA MURTHY.—I rise to a point of order. This amendment stands in the name of Sri Kadidal Manjappa but the Law Minister is moving.

Sri A. G. RAMACHANDRA RAO.—On his behalf I am moving.

Mr. SPEAKER.—Any member of the Select Committee can move and he is the Chairman of that Committee.

ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.—ಆದರೆ ಸರ್ಕಾರ dealer ಅಲ್ಲದೆ ಇರುವುದರಿಂದ ಈ ಬಗ್ಗೆ ತೆರಿಗೆಯನ್ನು collect ಮಾಡಿಕೊಳ್ಳುವುದಕ್ಕೆ ಅದು ಅಧಿಕಾರ ಪಡೆದಿರಬೇಕು. ಆದುದರಿಂದ ಈ ಬಗ್ಗೆ ಮುಂದೆ ಯಾವರೀತಿಯ ತೊಂದರೆಯೂ ಆಗಬಾರದೆಂಬ ಉದ್ದೇಶದಿಂದ ಈ ಸೆಕ್ಷನ್ ತಂದಿದೆ. ತೆರಿಗೆಯನ್ನು ವಸೂಲು ಮಾಡುವ ಬಗ್ಗೆ registered dealerಗೆ ಯಾವ ರೀತಿ ಅಧಿಕಾರವಿರುತ್ತದೆಯೋ ಸರ್ಕಾರಕ್ಕೂ ಅದೇ ರೀತಿಯ ಅಧಿಕಾರವಿರಲಿ ಎಂಬುದೇ ಇದರ ಮುಖ್ಯೋದ್ದೇಶ. ಸರ್ವರೂ ಇದಕ್ಕೆ ತಮ್ಮ ಒಪ್ಪಿಗೆ ಕೊಡಬೇಕೆಂದು ವಿನಂತಿ ಮಾಡಿಕೊಳ್ಳುತ್ತೇನೆ.

***Sri M. V. RAMA RAO.**—A certain point of order was raised with reference to this Clause. I would like to invite the attention of the Chair and the House as to what happens when an amendment of this kind is put to the vote of the House. The Chair will see that this amendment is to introduce a new section in the original Act. Not merely that; it is also proposed to introduce a new Clause in the amending Bill which was not either in the Bill which was referred to the Select Committee or after it emerged from the Select Committee.

Mr. SPEAKER.—There is your own amendment.

Sri M. V. RAMA RAO.—My amendment is there. But the difficulty will be, I may not be in a position to move the next amendment to Clause 9.

Mr. SPEAKER.—Anyhow you know the result. You will move and withdraw.

Sri M. V. RAMA RAO.—May I submit that when the Hon'ble the Minister moved his amendment, I was expecting the Chair to see that the motion is proposed and then I was looking for a chance?

Mr. SPEAKER.—Quite so. I thought no member would raise any objection and the whole House had given its consent unanimously. So, with that presumption, I did. If the Member is really very serious, the question may be reopened; I have no objection.

Sri M. V. RAMA RAO.—I have no objection to Government having power to levy sales tax on sales effected by Government and getting money. But what I am really concerned with is, the introduction of a new clause into the Bill itself, which was not contained in the Bill which went to the Select Committee or in the Bill as reported by the Select Committee. On that aspect of the matter, I hope, the Chair will afford an opportunity to the House to express its views on the scope of the amendment of this kind, because it will become a precedent in succeeding times and the effect of it might not be quite convenient to the Government itself on a future occasion. The amendment just now moved is:

> "After Clause 8, the following Clause shall be inserted and Clauses 9 to 18 shall be renumbered as Clauses 10 to 19.—"

and the proposed clause is insertion of a new Section 11 A in Mysore Act XLVI of 1948. I have no objection to Government amending the Act in the usual manner so as to introduce a new section in the Sales Tax Act, Section 11 A, which will enable or entitle the State Government to levy and collect

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as if the State Government was a registered dealer. But what I am trying to point out is that it would not be proper to seek, by way of amendment, to introduce a clause into a Bill which was not there when the Bill was referred to the Select Committee nor in the Bill as reported by the Select Committee. The introduction of a new clause into the Bill itself would be obviously beyond the scope of an amendment, because what an amendment of the Bill or the report of the Select Committee on a Bill can do is to suggest modification, alteration or deletion of a matter contained in the Bill itself. Any addition that might be proposed to the clause contained in a Bill, whether reported by the Select Committee or not, would be limited to an alternative form of the existing clause or a proposal to delete a clause. It is highly doubtful if a new clause seeking to introduce a totally new provision altogether into the existing Act to which the amendment is sought to be moved can be made by way of an amendment after the Bill has been reported by the Select Committee and has been presented to the House. That is what I wanted to say.

3 P.M.

Sri A. G. RAMACHANDRA RAO.—I may submit Sir, there is nothing new in this amendment. A registered dealer is authorised and is entitled to collect the rates of tax mentioned in the Schedule. It was thought that in respect of certain articles directly sold by Government Departments or Government officers they should be able to collect the sales tax in the same way as a dealer would collect. To bring them on the same standard as that of a Registered Dealer in respect of collecting taxes for the State, this amendment was thought of. My submission is that there is nothing new and it is only illustrative of that point and it may be accepted.

ಶ್ರೀ ವಿ. ವೆಂಕಟಪ್ಪ (ಚನ್ನಪಟ್ಟಣ).—ಅದಕ್ಕೆ ಯಾವ ಆಕ್ಷೇಪಣೆಯೂ ಇಲ್ಲ. ಆದರೆ ಈ ರೀತಿ ಒರಿಜಿನಲ್ ಬಿಲ್ಲಿಗೆ ಒಂದು ಕ್ಲಾಸ್ add ಮಾಡುವುದನ್ನು ಸೆಲೆಕ್ಟ್ ಸಮಿತಿಯವರು ಪರಿಶೀಲನೆ ಮಾಡದೇ ಇರುವಾಗ ಈಗ add ಮಾಡುವುದು ಸರಿಯೋ ಅಲ್ಲವೋ ಎಂಬುದನ್ನು ತಾವು ಹೇಳಬಹುದು.

Mr. SPEAKER.—We will now rise for lunch and meet at 3-30.

The House adjourned for Lunch at Three Minutes past Three of the Clock and reassembled at Thirty Minutes past Three of the Clock.

[MR. SPEAKER in the Chair.]

Sri A. G. RAMACHANDRA RAO.—Sir, we were discussing clause 9. I feel Sir, that there is technically some difficulty. I do not propose pursuing this amendment now. I withdraw the amendment.

Sri M. V. RAMA RAO.—I do not propose to move this amendment in view of my not having moved the very first amendment to clause 3.

Mr. SPEAKER.—The question is:

"That Clause 9 stand part of the Bill."

The motion was adopted.

Clause 9 was added to the Bill.

Mr. SPEAKER.—Clause 10. Sri Mohamed Imam has an amendment.

***Sri J. MOHAMED IMAM.**—Sir, I beg to move:

'That in clause 10 for the words "by way of penalty in addition to the amount of tax so due a sum not exceeding that amount and" the words "interest at the rate of ten per centum on the sum due" shall be substituted.'

Sir, this is a provision which has now been introduced and which was not found in the original Bill nor was it found in the Act itself. This has been introduced at the Select Committee stage. I do not know what induced the Select Committee to introduce this measure which is very drastic and penalises the non-payer of tax a good deal. It is proposed in this amendment that the person who defaults has to pay a penalty of an amount equal to the original assessment. Sir, in the existing Act, section 13, there was no such penal clause. I will read section 13 for your information:

"13. The tax assessed under this Act shall be paid in such manner and in such instalments, if any, and within such time, as may be specified in the notice of assessment not being less than fifteen days from the date of service of the notice. In default of such payment the whole of the amount then remaining due may be recovered as if it were an arrear of land revenue."

The amendment that was sought by the amending Bill when it was introduced was to this effect:

"Clause 10. In section 13 of the principal Act after the words 'remaining due' the words 'together with interest at 6¼ per centum shall be payable' shall be inserted."

Under the Bill the amendment proposed originally was that anybody who defaulted payment of tax had to pay interest at the rate of 6¼ per cent. But the Select Committee has gone beyond this and they have introduced a new clause and they say:

"in default of such payment, the assessing authority may, if he is satisfied that the default was made without reasonable cause, direct that the dealer shall pay by way of penalty in addition to the amount of tax so due a sum not exceeding that amount and the amount so due, together with the penalty, may be recovered as if it were an arrear of land revenue."

I cannot understand why the Select Committee has introduced this penal measure of a very serious consequence. Sir, the kind of a penal measure which is now introduced is not found in any other Act, for instance Land Revenue.

Sri A. BHEEMAPPA NAIK.—Penal measure is there in the Income-tax Act.

Sri J. MOHAMED IMAM.—I am speaking of land revenue, Sir. If a person does not pay the land revenue in time, the only recourse is, the authority will recover it as if it was arrears of land revenue. The same thing must be adopted here. My friend referred to income-tax. I may state that income-tax is collected in instalments and penal levy is not as high as this. The time given here is only fifteen days and if anybody fails to pay within that time, then a penalty equal to the original amount will be levied. The person has to pay all the amount in one lump and on demand. This is a very harsh measure. The Government have power to recover it as if it were the arrears of land revenue. That itself is quite sufficient to ensure the Government for the recovery of the amount due from the assessee. That is why I have suggested as *via media* that if anybody fails to pay the amount, let him pay ten per cent interest. I hope the Government will see the reasonableness of this amendment and will accept it.

Mr. SPEAKER.—Amendment moved:

'That for the words "by way of penalty in addition to the amount of tax so due a sum not exceeding that amount and" the words "interest at the rate of ten per centum per annum on the sum due" shall be substituted.'

*Sri A. BHEEMAPPA NAIK.—I oppose the amendment moved by Sri Imam because the officer does not give the same date to all the persons. The Assessing Officer gives a date for one person and another date for another person. Therefore to say that it is inequitable is not correct. Another question is about the collection. Wherever there is this prosecution for default the collection is very high. In Madras it is 80 per cent; in Bengal it is 70 per cent. Whereas in Mysore it is 60 per cent. Honest merchants who pay their due will not at all come under this. Therefore, this is only a way to instil a kind of fear to make them pay immediately; that is all the object. The Officer will not levy as high a penalty as that. If there is no other course open, he will do it. The recovery of the amount as arrears of land revenue is tardy. Then, if the rate of interest is 6¼%, the merchant will retain the amount and prefer to pay only the interest because he will not get

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money at that rate. The collections would thereby fall. This prosecution clause will be of no danger or trouble to honest merchants. It is only to such persons who come from outside and do business and want to dupe the Government by evading the payment that this clause is applied. This would be very helpful to recover the amount. There will be resonable time for the person to pay; it would be from the date of service of notice which will be about 21 days. While framing rules they may fix the time. This penal measure is found in the Income Tax Act also as you all know. This is only to facilitate easy collection. I cannot understand my friend pleading on behalf of a person who does not pay in time and who wants to evade payment.

Sri J. MOHAMED IMAM.—If he is unable to pay ?

Sri A. BHEEMAPPA NAIK.—If he is unable to pay, he will become insolvent. Therefore, Sir, this clause is quite necessary.

ಶ್ರೀ ಬಿ. ಹುಚ್ಚೇಗೌಡ (ತುರುವೇಕೆರೆ).—ಸ್ವಾಮಿ, ಈ ತಿದ್ದುಪಡಿಯನ್ನು ನಾನು ಸಮರ್ಥಿಸುತ್ತೇನೆ. ಇದನ್ನು ವಿರೋಧಿಸಿ ಮಾತನಾಡಿದ ಶ್ರೀ ಭೀಮಪ್ಪ ನಾಯಕರು ಎರಡು ಮೂರು ಕಾರಣಗಳನ್ನು ಹೇಳಿದರು. ಮೊದಲನೆಯದಾಗಿ ಇನ್‌ಕಂ ಟ್ಯಾಕ್ಸ್ ಆಕ್ಟ್ ಪ್ರಕಾರ ಇದನ್ನು ಅನ್ವಯಿಸುವ ವಿಚಾರದಲ್ಲಿ ಮಾತನಾಡಿದರು. ಈಗ ಇನ್‌ಕಂ ಟ್ಯಾಕ್ಸ್ ಸಾಧಾರಣವಾಗಿ ಆದಾಯದ ಮೇಲೆ ತೆರಿಗೆ ಹಾಕುವುದು, ಸೇಲ್ಸ್‌ಟಾಕ್ಸ್ ವ್ಯಾಪಾರದ ಮೇಲೆ ತೆರಿಗೆ ಹಾಕುವುದು ; ಇವೆರಡಕ್ಕೂ ಇಷ್ಟೇ ವ್ಯತ್ಯಾಸ ಎರಡನೆಯದಾಗಿ, ಅವರಿಗೆ ಇನ್‌ಕಂ ಟ್ಯಾಕ್ಸ್‌ಕೊಟ್ಟು ರೂಢಿಯಿಲ್ಲವೆಂದು ಕಾಣುತ್ತದೆ. ಹಣಕ್ಕೆ ಹಣದಷ್ಟು ಪೆನಾಲ್ಟಿ ಯಾರೂ ಹಾಕುವುದಿಲ್ಲ.

Sri J. MOHAMED IMAM.—It is only for evasion. If a person has failed to give the accounts of the previous year, this penalty is levied.

Sri A. BHEEMAPPA NAIK.—It is a default.

Sri B. HUTCHE GOWDA.—But it is not to the extent of double the amount. ಡಿಫಾಲ್ಟರ್ ಆದರೆ ಪೆನಾಲ್ಟಿ ಹಾಕುತ್ತಾರೆ, ಹಾಕಿದರೂ ಇಷ್ಟು ಹಾಕುವುದಿಲ್ಲ. ಆಮೇಲೆ ಪ್ರಾಸಿಕ್ಯೂಷನ್ ತಪ್ಪಿಸುವುದು ನ್ಯಾಯವಾದುದು, ಅದನ್ನು ತಪ್ಪಿಸಿದೆ. ಕಂದಾಯ ಕೊಡದಿದ್ದರೆ ಪ್ರಾಸಿಕ್ಯೂಷನ್ ಮಾಡಬೇಕೆಂದರೆ ಅದರಿಂದ ಜನರಿಗೆ ತೊಂದರೆ ಮಾಡಬೇಕೆಂಬ ಉದ್ದೇಶ ಸರ್ಕಾರಕ್ಕಿದೆಯೆಂದು ಕಾಣುತ್ತದೆ. ಇದಲ್ಲದೆ ಶ್ರೀ ಭೀಮಪ್ಪನಾಯಕರು ಅನ್‌ಸ್ಕ್ರುಪುಲಸ್ ಆಫೀಸರಿರುತ್ತಾರೆ, ಅವರಿಗೆ ಪ್ರಾಸಿಕ್ಯೂಷನ್ ಅಧಿಕಾರವಿದ್ದರೆ ಬಹಳ ಕಷ್ಟ ಎಂದು ಹೇಳಿದರು. ಈ ರೀತಿಯಾಗಿ ಪೆನಾಲ್ಟಿ ಹಾಕುವ ಅಧಿಕಾರ ಅವರಿಗಿದ್ದರೂ ಎಷ್ಟುಮಟ್ಟಿಗೆ ನ್ಯಾಯ ಸಲ್ಲುತ್ತದೆ ಎಂಬುದನ್ನು ಯೋಚನೆಮಾಡಬೇಕು. ಈ ತಿದ್ದುಪಡಿಯಲ್ಲಿರುವುದೂ ಕೂಡದು, 10 ರೂಪಾಯಿಗಳ ಬಡ್ಡಿ ಹಾಕಿ ಎಂದು ಹೇಳುವುದೂ ಜಾಸ್ತಿ ಎಂಬುದು ನನ್ನ ಅಭಿಪ್ರಾಯ. ಈ ರೀತಿಯಾದರೆ ಆಫೀಸರಿಗೆ ಅನ್ಯಾಯವಾಗಿ ಹಿಂಸೆ ಮಾಡುವ ಅಧಿಕಾರವಿರುವುದಿಲ್ಲ. ಈ ಅಧಿಕಾರ ಚಲಾಯಿಸುವಾಗ ತಮಗೆ ಬೇಕಾದವರಿಗೊಂದು ನೀತಿ, ಬೇಡದವರಿಗೊಂದು ನೀತಿ ಅನುಸರಿಸುವುದಕ್ಕೆ ಇದರಲ್ಲಿ ಅವಕಾಶವಿದೆ. ಆದ್ದರಿಂದ ಎರಡು ಪೆನಾಲ್ಟಿಗಳನ್ನು ಹಾಕುವುದು, ಎರಡರಷ್ಟು ಕಂದಾಯ ಹಾಕಬೇಕೆಂದು ಮಾಡಿರುವುದಷ್ಟನ್ನಾದರೂ ಸರ್ಕಾರದವರು ಒಪ್ಪಬೇಕೆಂದು ಕೇಳಿಕೊಳ್ಳುತ್ತೇನೆ.

4 P.M.

ಅಲ್ಲದೆ tax evasion ವಿಚಾರದಲ್ಲಿ ಈ ರೀತಿ penalty ವಿಧಿಸಿರುವುದು ಬಹಳ ತೊಂದರೆ. ಈ ಬಗ್ಗೆ ಕಾಲಾವಕಾಶಕ್ಕೂ ಅವಕಾಶ ಕಲ್ಪಿಸಿಲ್ಲ. ಈ ತೆರಿಗೆಯನ್ನು ಒಂದು ವೇಳೆ ಲ್ಯಾಂಡ್ ರೆವೆನ್ಯೂ ಪ್ರಕಾರ ವಸೂಲು ಮಾಡುವುದು ನಿಧಾನವಾಗುತ್ತದೆಂದರೆ ಇದಕ್ಕೆ ಸರ್ಕಾರದ ಅಲಕ್ಷ್ಯ ಮನೋಭಾವವೇ ಕಾರಣವೆಂದು ಹೇಳಬೇಕಾಗುತ್ತದೆ. ರೂಲ್ಸ್ ಪ್ರಕಾರ ಇದನ್ನು ವಸೂಲು ಮಾಡಿಕೊಳ್ಳುವುದಕ್ಕೆ ಯಾರೂ ಅಡ್ಡಿ ಬರುವುದಿಲ್ಲ. ಇದಕ್ಕೆ ಅವಕಾಶವಿರುವಾಗ ಇಷ್ಟೊಂದು ಉಗ್ರ ತರದ penalty ವಿಧಾಯಕಮಾಡಲು ಅವಕಾಶವನ್ನು ಕಲ್ಪಿಸಿಕೊಡುವುದು ದುರುಪಯೋಗವಾಗಲು ಆಸ್ಪದವಾಗಬಹುದು ; ಅಧಿಕಾರಿಗಳ ದಬ್ಬಾಳಿಕೆಗೂ ಅವಕಾಶವಾಗಬಹುದು. ಈ ಕಾರಣದಿಂದ, ಈ ತಿದ್ದುಪಡಿಯನ್ನು ಸರ್ಕಾರದವರು ಒಪ್ಪಿಕೊಳ್ಳಬೇಕೆಂದು ಒತ್ತಾಯ ಮಾಡುತ್ತೇನೆ.

ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.—ಸ್ವಾಮಿ, ಇದರ ಆಶಯವನ್ನು ಶ್ರೀ ಭೀಮಪ್ಪನಾಯಕರು ಹೇಳಿರುತ್ತಾರೆ. ನ್ಯಾಯವಾದ ರೀತಿಯಲ್ಲಿ ವ್ಯಾಪಾರ ಮಾಡಿಕೊಂಡು ಸಲೀಸಾಗಿ ತೆರಿಗೆ ಕೊಡುವವರಿಗೆ ಇದರಿಂದ ಯಾವ ರೀತಿಯ ತೊಂದರೆಯೂ ಆಗುವುದಿಲ್ಲ. ಯಾರು ತೆರಿಗೆಯನ್ನು ತಪ್ಪಿಸಿಕೊಳ್ಳಲು ಪ್ರಯತ್ನಪಟ್ಟು ಅಡ್ಡ ಮಾರ್ಗ ಹಿಡಿಯುತ್ತಾರೋ ಅಂಥವರನ್ನು ಸರಿಯಾದ ಮಾರ್ಗದಲ್ಲಿ ತರಲು ಇದು ಅನುಕೂಲವಾಗಿದೆ. ತೆರಿಗೆಯನ್ನು ತಪ್ಪಿಸಿಕೊಳ್ಳುವುದನ್ನು ತಡೆಗಟ್ಟಲು ಎರಡು ಮಾರ್ಗಗಳಿವೆ—ಒಂದು prosecution, ಎರಡನೆಯದು penalty. ಈ ಎರಡು ಸಾಧನಗಳೂ ಇದ್ದರೆ, ಈ ಅಧಿಕಾರ ಸಂಬಂಧಪಟ್ಟ ಅಧಿಕಾರಿಗಳ ವ್ಯಾಪ್ತಿಗೆ ಒಳಪಟ್ಟಿದ್ದರೆ, ಯಾರೂ ಸಹ ತೆರಿಗೆಯನ್ನು ತಪ್ಪಿಸಿಕೊಳ್ಳಲು ಪ್ರಯತ್ನ ಪಡಲಾರರು ಎಂಬುದು ಸರ್ಕಾರದ ಉದ್ದೇಶ.

Sri J. MOHAMED IMAM.—On a point of information. Who imposes penalty—the assessing authority or the sales tax inspector ? Can a man getting Rs. 58 or so impose the penalty ?

Sri A. G. RAMACHANDRA RAO.—There is however a right of appeal. And it is not as if it is an uncontrolled authority. It is controlled authority.

ಈ ದೃಷ್ಟಿಯಿಂದ prosecution ವಿಚಾರದಲ್ಲಿ ಮತ್ತು penalty ವಿಚಾರದಲ್ಲಿ ಸಾಕಷ್ಟು ನಿರ್ಬಂಧಗಳನ್ನು ಹಾಕಿಕೊಂಡಿರುವುದು ಒಳ್ಳೆಯದು. In fact in Assam and other States, penalty

has been put down at $1\frac{1}{2}$ times *i.e.*, 150%. That is the maximum they have got there.

Sri B. HUTCHE GOWDA.—So you want to compete with other States in assessing the amount of penalty?

Sri A. G. RAMACHANDRA RAO.—Wherever there are good points, there is no harm in taking them.

Sri J. MOHAMED IMAM.—For want of money.

Sri A. G. RAMACHANDRA RAO.—You must understand that this penalty is to be imposed only on defaulters. ಇದರಿಂದ ತೆರಿಗೆಯ ವಸೂಲಿ ಸಹ ಸಮರ್ಪಕವಾಗಿ ಆಗುತ್ತದೆ.

Mr. SPEAKER.—It is said 'a sum not exceeding that.'

Sri A. G. RAMACHANDRA RAO.—It is said—

> "In default of such payment the assessing authority may, ..."
>
> It is not 'shall.'
>
> "...may, if he is satisfied that the default was made without reasonable cause, direct that the dealer shall pay by way of penalty in addition to the amount of tax so due a sum not exceeding that amount..."

That is, an upper limit has been fixed, and, as I said, it is not as if an uncontrolled authority that does it.

ಈ ಕಾರಣದಿಂದ ಇದು ಸರಿಯಾದ ರೀತಿಯಲ್ಲಿ ವ್ಯಾಪಾರ ಮಾಡಿಕೊಂಡು ಸಲೀಸಾಗಿ ತೆರಿಗೆ ಪಾವತಿ ಮಾಡುವವರಿಗೆ ಅನ್ವಯಿಸುವುದಿಲ್ಲವಾದ್ದರಿಂದಲೂ, ಇದು ಏನಿದ್ದರೂ ಡಿಫಾಲ್ಟರುಗಳಿಗೆ ಮಾತ್ರ ಅನ್ವಯಿಸುವುದರಿಂದಲೂ ತಾವು ಇದನ್ನು ಒಪ್ಪಿಕೊಳ್ಳಬೇಕೆಂದು ವಿನಂತಿಮಾಡಿಕೊಳ್ಳುತ್ತೇನೆ.

Mr. SPEAKER.—What does the mover propose to do with his amendment?

Sri J. MOHAMED IMAM.—I press the amendment, Sir.

Mr. SPEAKER.—The question is:—

> 'That for the words "by way of penalty in addition to the amount of tax so due a sum not exceeding that amount and" the words "interest at the rate of ten per centum per annum on the sum due" shall be substituted.'

The motion was negatived.

***Sri M. V. RAMA RAO.**—Sir, I beg to move.—

> 'For the words "amount so due" the words "amount of tax so due" shall be substituted.'

Sir, the amendment is merely verbal and non-controversial. It will be seen that the new Section 13 reads as follows.—

> "In default of such payment, the assessing authority may, if he is satisfied that the default was made without reasonable cause, direct that the dealer shall pay by way of penalty in addition to the amount of tax so due, a sum not exceeding that amount and the amount so due, together with the penalty, may be recovered as if it were an arrear of land revenue."

If instead of the words 'amounts so due' it is 'amount of tax so due,' I think it would make the meaning clearer. I hope this amendment will be accepted.

Mr. SPEAKER.—Amendment moved.—

> 'For the words "amount so due" the words "amount of tax so due" shall be substituted.'

Sri A. G. RAMACHANDRA RAO.—I accept the amendment.

Mr. SPEAKER.—The question is:

> 'That for the words "amount so due" the words "amount of tax so due" shall be substituted.'

The motion was adopted.

Mr. SPEAKER.—The question is:

> "That Clause 10, as amended, stand part of the Bill."

The motion was adopted.

Clause 10, as amended, was added to the Bill.

Mr. SPEAKER.—Clauses 11 and 12. The question is:

> "That Clauses 11 and 12 stand part of the Bill."

The motion was adopted.

Clauses 11 and 12 were added to the Bill.

Mr. SPEAKER.—Clause 13.

*Sri M. V. RAMA RAO.—Sir, I move:—

'In the proposed sub-section (4)—

(i) after the words "such officer may" the words "on the authority of a search warrant issued by a Magistrate not below the rank of a Second Class Magistrate" shall be added.

(ii) After the word "vessel" the word "or" be added.

(iii) The words "on the authority of a search warrant issued by a Magistrate of the first or second class having jurisdiction in such place" shall be omitted.'

These amendments are verbal and merely seek to make the meaning of the clause more clear and specific. It will be seen that the clause reads as follows:—

"For the purpose of sub-section (2) or sub-section (3) such officer may enter and search any place of business, warehouse, office, shop, godown, vessel, vehicle where such officer has reason to believe that the dealer keeps or is for the time being keeping any accounts, registers or documents of his business, or stocks of goods relating to his business on the authority of a search warrant issued by a Magistrate of the first or second class having jurisdiction in such place."

The total effect of the amendment that I have proposed will be, firstly, to introduce the word 'or' between the words 'vessel' and 'vehicle'—the introduction of the word 'or' is necessary. Secondly, it will transpose the concluding words of the clause into an earlier place after the word 'may' and before the word 'enter'. It also effects change in these words so as to read 'on the authority of search warrant issued by a Magistrate not below the rank of a Second Class Magistrate enter and search......," etc., and the words 'having jurisdiction in such place' would be unnecessary, because it is unthinkable that any Magistrate would issue a search warrant unless he has jurisdiction in the particular area in which such warrant is to stay. Therefore, the clause after amended in the manner suggested by me would read:

"For the purpose of sub-section (2) or sub-section (3) such officer may on the authority of a search warrant issued by a Magistrate not below the rank of a Second Class Magistrate enter and search any place of business, warehouse, office, shop, godown, vessel or vehicle where such officer has reason to believe that the dealer keeps or is for the time being keeping any accounts, registers or documents of his business, or stocks of goods relating to his business."

That is how the amended clause would read. I commend it for the acceptance of the House.

Mr. SPEAKER.—Amendment moved.—

'In the proposed sub-section (4)—

(i) after the words "such officer may" the words "on the authority of a search warrant issued by a Magistrate not below the rank of a Second Class Magistrate" shall be added;

(ii) after the word "vessel" the word "or" be added;

(iii) the words "on the authority of a search warrant issued by a Magistrate of the first or second class having jurisdiction in such place" shall be omitted.'

Sri A. G. RAMACHANDRA RAO.—I accept the verbal amendment.

Mr. SPEAKER.—The question is:

'In the proposed sub-section (4)—

(i) after the words "such officer may" the words "on the authority of a search warrant issued by a Magistrate not below the rank of a Second Class Magistrate" shall be added;

(ii) after the word "vessel" the word "or" be added;

(iii) the words "on the authority of a search warrant issued by a Magistrate of the first or second class having jurisdiction in such place" shall be omitted.'

The motion was adopted.

Mr. SPEAKER.—The question is:

"That Clause 13, as amended, stand part of the Bill."

The motion was adopted.

Clause 13, as amended, was added to the Bill.

Mr. SPEAKER.—Clause 14. There is no amendment. The question is:

"That Clause 14 stand part of the Bill."

The motion was adopted.

Clause 14 was added to the Bill.

Mr. SPEAKER.—Clause 15.

Sri A. G. RAMACHANDRA RAO.—There is an amendment proposed. It is merely verbal to make it clearer and more legal. The amendment is like this:

"For sub-clause (2), the following sub-clause shall be substituted:—

(2) after the said sub-section (1), the following sub-section shall be added, namely,—

(2) No court shall take cognizance of an offence under clause (b) of sub-section (1) except upon a complaint made with the previous sanction of the Deputy Commissioner of the District; and the Deputy Commissioner shall not grant such sanction,

(i) unless he has reason to believe that the person liable to pay the amount, with intent to obstruct or delay the recovery of the amount,

(*a*) is about to leave the State, or

(*b*) is about to dispose of the whole or any part of his property, or

(*c*) is about to remove the whole or any part of his property from the local limits of the District; or

(ii) for the prosecution of a person who has been adjudged insolvent."

I move it. There is absolutely no difference between this and the original section. But it is only just to clarify and put it in proper place that I thought of moving this motion relating to the amendment.

Mr. SPEAKER.—The question is:

"For sub-clause (2), the following sub-clause shall be substituted, namely:—

(2) after the said sub-section (1), the following sub-section shall be added, namely,—

(2) No court shall take cognizance of an offence under clause (b) of sub-section (1) except upon a complaint made with the previous sanction of the Deputy Commissioner of the District; and the Deputy Commissioner shall not grant such sanction,

(i) unless he has reason to believe that the person liable to pay the amount, with intent to obstruct or delay the recovery of the amount,

(*a*) is about to leave the State, or

(*b*) is about to dispose of the whole or any part of his property, or

(*c*) is about to remove the whole or any part of his property from the local limits of the District; or

(ii) for the prosecution of a person who has been adjudged insolvent."

The motion was adopted.

Mr. SPEAKER.—The question is:

"That Clause 15, as amended, stand part of the Bill."

The motion was adopted.

Clause 15, as amended, was added to the Bill.

Mr. SPEAKER.—Clause 16.

Sri A. G. RAMACHANDRA RAO.—There is an amendment. I move it :

> '(1) In Part I of the Schedule, in column 3 of item 30, for the words "nine pies" the words "six pies" shall be substituted ;
>
> '(2) In Part II of the Schedule, in column 2 of item 2 for the figure and word "9 pies" the figure and word "6 pies" shall be substituted.'

In both there were misprints and the amendment seeks to correct the misprints.

Mr. SPEAKER—The question is :

> '(1) In Part I of the Schedule, in column 3 of item 30, for the words "nine pies" the words "six pies" shall be substituted ;
>
> (2) In Part II of the Schedule, in column 2 of item 2 for the figure and word "9 pies" the figure and word "6 pies" shall be substituted.'

The motion was adopted.

Mr. SPEAKER.—The question is :

> "That Clause 16, as amended..."

Sri J. MOHAMED IMAM.—Sir, there are some more amendments.

Mr. SPEAKER.—I am sorry. You are moving ?

***Sri J. MOHAMED IMAM.**—Sir, I beg to move :

> 'That in Part I of the proposed Schedule I, for the words "one anna" in column 3 against item 16, the words "six pies" shall be substituted.'

Sir, this relates to the tax on 'paper'. In the Schedule, it is proposed to levy a tax of one anna per rupee on 'paper.' I do not know why this discrimination should be made against such an important and elementary necessity as paper and why they should go to the extent of levying a tax of one anna. Paper is not an article of luxury. Paper is needed by every person, by every student and by every common man and I do not know on what principle Government has thought of raising the tax to one anna. I think it is against equity and justice. I hope that the Hon'ble Minister will recognise the justice of my argument and that he will agree for the reduction of the tax from one anna to six pies.

Mr. SPEAKER.—Amendment moved:

> 'That in Part I of the proposed Schedule I, for the words "one anna" in column 3 against item 16, the words "six pies" shall be substituted.'

ಶ್ರೀ ಬಿ. ಹುಚ್ಚೇಗೌಡ.—ನ್ಯೂಸ್ ಪೇಪರಿಗೆ ಎಕ್ಸೆಂಪ್ಷನ್ ಕೊಟ್ಟಿದ್ದೀರಿ. ಪೇಪರಿಗೆ ಎಕ್ಸೆಂಪ್ಷನ್ ಕೊಟ್ಟಿಲ್ಲ. ನ್ಯೂಸ್ ಪೇಪರ್‌ಗೆ ಉಪಯೋಗಿಸುವ ಕಾಗದಕ್ಕೆ ಎಕ್ಸೆಂಪ್ಷನ್ ಕೊಡುವುದು ಉಂಟೇ ಇಲ್ಲವೇ ಎಂಬುದನ್ನು ಕ್ಲಾರಿಫೈಮಾಡಬೇಕು.

Sri A. G. RAMACHANDRA RAO.—Now it is centralised. We have no authority. Regarding the levy on 'paper', it may be noted that we have released from taxation 'books, periodicals, exercise books, and journals', because it was felt that these are articles needed by students. So the idea is to tax the paper that is consumed by business people and offices. It was felt that there was no case for the reduction on this 'paper'.

Sri J. MOHAMED IMAM.—I press the amendment, Sir.

Mr. SPEAKER.—The question is :

> 'That in Part I of the proposed Schedule I, for the words "one anna" in column 3 against item 16, the words "six pies" shall be substituted.'

The motion was negatived.

***Sri J. MOHAMED IMAM.**—Sir, I beg to move :

> "That in Part I of the proposed Schedule I, item No. 31 shall be deleted."

This relates to groundnut. Sir, till now, groundnut was a commodity which was exempted from taxation and it did not come under the operation of the sales tax. It was considered as an agricultural product and in accordance with this principle no action was taken to levy sales tax on groundnut. And there is another principle, Sir. Under the Central Act, all edible oils and oil seeds from which edible oils are extracted are exempted from taxation;

the list of goods declared essential for the life of the community cannot be taxed and under the Central Act, there cannot be any doubt that groundnut is declared as a commodity from which edible oil is extracted, cannot be taxed. They are exempt from taxation. Groundnut is an essential commodity from which edible oil is extracted and therefore groundnut must be exempted from taxation. Apart from this, Sir, groundnut is a commodity which supplies manure, which is the source of all manure and which is very necessary and important for agriculture. It is also necessary to help and encourage the Grow-More-Food Campaign. The Government in their anxiety to increase the revenue and to get more revenue, have disregarded all canons of rules; they have disregarded the direction given by the Centre and they have disregarded the fact that it is an agricultural commodity and now they want to levy a tax of three pies on groundnut.

Another thing, Sir, is that the levy of tax that is contemplated at present cannot come under this Section, because here it is proposed to levy a purchase tax on groundnut and not a sales tax. The purchase tax cannot come under the provision of sales tax. If we want to levy purchase tax, you must bring a fresh and separate legislation. You cannot add this on as just one more item under the sales tax and I think it is illegal and it cannot come under this legislation. You remember, Sir, when the Government introduced the Bill last year to levy sales tax on motor spirit, I pointed out at that time that the motor spirit was a commodity which has been excluded under the Central Act and I raised this question that the Government has no power to levy tax on motor spirit. At that time, it was said by the then Hon'ble Minister that all those commodities on which Centre had levied tax till the passing of the Central Act, cannot be exempted. But they said that there cannot be fresh levy on such of the items which are covered under exemption. Now this is a fresh levy and the Central Act gives clear exemption and I therefore submit that the Government have no power to levy a tax on groundnut which is an essential oil seed from which edible oil is derived.

I must also point out, Sir, that Government have argued that what they propose to collect is purchase tax and not sales tax and that the raiyat who purchases groundnut for his own purposes, may not be liable to this tax. I must point out that whether it is purchase tax or sales tax, the ultimate burden is bound to fall on the producer who is the raiyat, because the producer will take it to the wholesaler and the merchant will take care to deduct this tax from the price he pays to him and therefore to that extent, the raiyat and agriculturist who sells, will have to suffer and therefore ultimately the tax falls on the raiyat.

So, I oppose this measure on three grounds. First of all, it is an agricultural commodity which has to be exempted and it is the raiyat that suffers because he will be made to pay the tax. Secondly, you have no power to levy purchase tax under this legislation, because this is a sales tax legislation under which you can only levy tax on sales and not on purchases. If it is the intention of the Government to levy purchase tax, it must come in the form of a separate Bill and you cannot bring it under this measure. Thirdly, it is an essential commodity. It is an oil seed from which edible oil it derived and under the Central Act this commodity is exempted and Government have no power to levy tax on groundnut. On these grounds, I oppose this tax and say that the Government have no power to levy the tax on groundnut.

Mr. SPEAKER.—Amendment moved:

"That in Part I of the proposed Schedule I, item No. 31 shall be deleted."

*Sri M. V. RAMA RAO.—Sir, on the very grounds on which Sri Imam has asked the House to reject the amendment, I have to ask the House to accept the amendment. Firstly, he said that it is not competent for the legislature to impose a tax on groundnut; secondly that the legislative enactment seeking

(SRI M. V. RAMA RAO.)

to impose sales tax cannot impose purchase tax. On both the points, the arguments which he had addressed on the floor of this House, I am afraid, have not carried conviction, speaking for myself. I do not know how other Hon'ble Members may be feeling about that. All that the Central enactment which lays down the exceptions from the liability to sales or purchase tax in respect of articles declared to be essential for the life of the community is that no such legislation proposed or undertaken by State Legislature in respect of goods so exempted will not be effective unless such Bill has been reserved for the assent of the President and has received his assent. As a matter of fact, I read out Section 3 of the Essential Goods (Declaration and Regulation of Taxes on Sales and Purchase) Act, 1952, when the debate on the Bill before it went to the Select Committee took place in this House. Section 3 of that Act lays down that no law made after the commencement of this Act by the Legislature of a State imposing or authorising the imposition of a tax on sale or purchase on any goods declared by this Act to be essential for the life of the community, shall have effect unless it has been reserved for the consideration of the President and has received his assent. That is all that that Section of Act LII of 1952 lays down.

SRI J. MOHAMED IMAM.—Provided that no addition to Schedule I shall be made of any goods declared to be essential for the life of the community by the Essential Goods Declaration and Regulation Act, 1952 of the Centre. There is a similar provision in the present Bill itself. According to the provision no commodity is included in Schedule I, which has been declared to be essential for the life of the community.

SRI M. V. RAMA RAO.—Groundnut has already been included in the Schedule and the restriction which the Hon'ble Leader of the Opposition just now read out applied to the future inclusion in exercise of the authority conferred on Government by the other clause on which adequate debate has already taken place. I do not suppose that the Hon'ble Member Sri Imam would seriously advance this argument in respect of his amendment.

SRI J. MOHAMED IMAM.—I drew your attention to that also.

SRI M. V. RAMA RAO.—Therefore, Sir, there is no fetter or disability, so far as the legislative competence of this House is concerned, for imposing sales tax or purchase tax on groundnut on the ground that it comes within the purview of the Central Act LII of 1952.

The second point that was made by Sri Imam was that the enactment seeking to impose sales tax cannot impose a purchase tax. Sir, the argument is so highly legalistic that I hardly expected that the Hon'ble Leader of the Opposition who is possessed of legal qualification which is the same as those possessed by many other Hon'ble Members of this House . . .

SRI J. MOHAMED IMAM.—I have practised for three years.

SRI M. V. RAMA RAO.— . . . would advance such a hollow argument. I hope that the Hon'ble Leader would agree that the sale and purchase are two aspects of the same transaction. Unless somebody sold the groundnuts, nobody could purchase them; and it is open to the Government to impose a tax either at the point of sale so as to fix the liability for payment of tax on the person who sells or at the point of purchase so as to fix the liability for payment of tax on the person who purchases. If the Government have thought fit to shift the point of incidence to the point of purchase in the case of groundnut in particular, it is because while groundnut may be sold . . . .

SRI J. MOHAMED IMAM.—Is there any commodity on which such a tax is levied, I would like to know.

SRI M. V. RAMA RAO.— . . . by all and sundry including persons who grow, bulk purchase is made generally either by dealers or by persons who deal in oil seeds for use in expellers for being manufactured into oil; and therefore the levy of purchase tax on groundnut is justified on the ground of facility in the collection of the tax. And there is really nothing wrong in principle in shifting the point of

incidence of the tax to the point of purchase from the usual point of sale. Therefore, Sir, I think the amendment moved by the Hon'ble Member Sri Imam cannot be supported.

Sri A. G. RAMACHANDRA RAO.—Only one word I wish to add. This amendment has been proposed directly at the instance of the mercantile community and also in the interest of the grower, because it is the merchant that pays.

I have nothing more to add.

Mr. SPEAKER.—The question is:

"That in Part I of the proposed Schedule I, item No. 31 shall be deleted."

The motion was negatived.

4-30 P.M.

Sri A. G. RAMACHANDRA RAO (Minister for Law and Education).—Sir, I move:

'In Part I of Schedule I,

(*a*) in item 10 after the words "by whatever name called" the words "and refined oils when sold in sealed containers" shall be added;

(*b*) after item 31 the following items shall be added:

"32. Coffee ...	Six pies (*a*)
33. All electrical goods, instruments, apparatus and appliances, including fans and lighting bulbs, electrical earthenware and porcelain and all other accessories.	One anna (*a*)
43. Clocks, time-pieces and watches and parts thereof.	One anna (*a*)
35. Matches ...	Three pies (*a*)

(ii) In Part II of Schedule I, after item 7, the following item shall be added:

"8. Gold thread ...	One-half per cent'." (*a*)

Mr. SPEAKER.—Amendment moved:

"In Part I of Schedule I,

(*a*) in item 10 after the words "by whatever name called" the words "and refined oils when sold in sealed containers" shall be added;

(*b*) after item 31 the following items shall be added.—

"32. Coffee ...	Six pies (*a*)
33. All electrical goods, instruments, apparatus and appliances, including fans and lighting bulbs, electrical earthenware and porcelain and all other accessories.	One anna (*a*)
34. Clocks, time-pieces and watches and parts thereof.	One anna (*a*)
35. Matches ...	Three pies" (*a*)

(ii) in Part II of Schedule I, after item 7, the following item shall be added:—

"8. Gold thread ...	One-half per cent"' (*a*)

Sri J. MOHAMED IMAM.—Sir, I do not agree with regard to matches. Matches have been exempted in Bengal. We are paying excise duty on match box. It is a commodity used by every family. When it is favourable to Government they refer to Act of other States; when it is unfavourable they keep silent.

Sri A. G. RAMACHANDRA RAO.—The best from everywhere. (*Laughter*).

Sri J. MOHAMED IMAM.—It is in the fitness of things that you must exempt matches. It is not an article of luxury; it is required by the poorest man including a smoker.

Sri A. G. RAMACHANDRA RAO.—That is why it is included.

Sri J. MOHAMED IMAM.—You are living in beautiful bungalows and how can you realise the difficulty of the common man? Why should you not give exemption to matches when it is done so in Bengal? It shows that

(Sri J. MOHAMED IMAM.)

Government are not doing any equity or justice. They want only money irrespective of the consequences. I suggest in all seriousness to omit 'matches' as it has been done elsewhere.

Sri A. G. RAMACHANDRA RAO.—Sir, after all, it is a nominal tax of three pies in the rupee. It is absolutely no burden. I wish the Hon'ble the Leader of the opposition would try at a more substantial item.

Mr. SPEAKER.—The question is:

'In Part I of Schedule I,

(*a*) in item 10 after the words "by whatever name called" the words "and refined oils when sold in sealed containers" shall be added;

(*b*) after item 31 the following items shall be added:—

"32.	Coffee	... Six pies (*a*)
33.	All electrical goods, instruments, apparatus and appliances, including fans, and lighting bulbs, electrical earthenware and porcelain and all other accessories.	One anna (*a*)
34.	Clocks, time-pieces and watches and parts thereof.	One anna (*a*)
35.	Matches	Three pies (*a*)"

(ii) In Part II of Schedule I, after item 7, the following item shall be added:

"8.	Gold thread	... One-half per cent (*a*)"'

The motion was adopted.

Mr. SPEAKER.—The question is:

"That Clause 16, as amended, stand part of the Bill."

The motion was adopted.

Clause 16, as amended, was added to the Bill.

Mr. SPEAKER.—Clause 17. The question is:

"That Clause 17 stand part of the Bill."

The motion was adopted.

Clause 17 was added to the Bill.

Mr. SPEAKER.—Clause 18. There is an amendment.

Sri M. RAJASEKHARA MURTHY.—I beg to move:

'In item No. 23 of Schedule III, after the words "cocoon rearers" the words "and charaka silk produced by reelers" shall be added.

Sir, sericultural industry is the most important cottage industry in Mysore State. Directly or indirectly it is giving employment to the extent of two lakhs of families. It is an accepted policy of Government to give encouragement as far as possible to the cottage industries. But the action of Government in levying licence fee on this charaka silk is contradicting the very policy of the Government. The Government of Madras have exempted charaka silk. Section 5, sub-section (1) of the Madras Act lays down:

"The sale of handspun yarn and of any cloth woven on handlooms wholly with handspun yarn and sold by persons dealing exclusively in such cloth, shall be exempt from taxation under section 3, sub-section (1);"

Sir, the total production of silk in Mysore State is 12,90,000 pounds. And charaka silk itself would be about 12,00,000 pounds, the rest being filature silk. Therefore, in the interest of this industry and also in the interest of the persons engaged in sericulture industry I request Government to accept this amendment and exempt this article from sales tax.

Mr. SPEAKER.—Amendment moved:

'In item No. 23 of Schedule III, after the words "cocoon rearers" the words "and charaka silk produced by reelers" shall be added.'

*ಶ್ರೀ ಜಿ. ಪಾಪಣ್ಣ (ಶಿಡ್ಲಘಟ್ಟ—ಚಿಕ್ಕಬಳ್ಳಾಪುರ).—ಮಾನ್ಯ ಅಧ್ಯಕ್ಷರೇ, ಈ ಒಂದು ತಿದ್ದುಪಡಿಯನ್ನು ನಾನು ಸ್ವಾಗತಿಸುತ್ತೇನೆ. ರೇಷ್ಮೆ ಕೈಗಾರಿಕೆಯ

ಹಿತದೃಷ್ಟಿಯಿಂದ ಈ ತಿದ್ದುಪಡಿಯನ್ನು ಸರ್ಕಾರ ಒಪ್ಪಿಕೊಳ್ಳುವುದು ಬಹಳ ಅವಶ್ಯಕವೆಂದು ಮನವಿಮಾಡಿಕೊಳ್ಳುತ್ತೇನೆ. ಚರಕಾ ರೀಲರುಗಳು ರೈತರಿಂದ ಗೂಡನ್ನು ಕೊಂಡು ಚರಕ ರೀಲ್‌ಮಾಡಿ ರೇಷ್ಮೆ ಕೋಠಿಗಳಲ್ಲಿ ಮಾರುತ್ತಾರೆ. ನೇರವಾಗಿ ರೀಲರ್ಸ್ ವ್ಯಾಪಾರ ಮಾಡುತ್ತಿಲ್ಲ. ಕೋಠಿಗಳಿಗೆ ತಂದು ಕೋಠಿ ಮಾಲೀಕರಿಗೆ ರೇಷ್ಮೆ ಮಾರಿದಾಗ ಅವರು ಕಮಿಷನ್ ಹಿಡಿದುಕೊಂಡು ಉಳಿದ ಹಣವನ್ನು ರೀಲರ್ಸ್‌ಗೆ ಕೊಡುತ್ತಾರೆ. ಆದ್ದರಿಂದ ರೀಲರ್ಸ್ ವ್ಯಾಪಾರ ಮಾಡುತ್ತಿಲ್ಲ. ಅಲ್ಲದೆ ಈಗ ರೇಷ್ಮೆಯ ಗೂಡಿನಿಂದ ರೇಷ್ಮೆ ಬಿಚ್ಚುತ್ತಿರುವುದರಲ್ಲಿ ಎರಡು ವಿಧಗಳಿವೆ. ಒಂದು ವಿಧದಲ್ಲಿ ಚರಕಾ ರೀಲರ್ಸ್, ಮತ್ತೊಂದು ವಿಧದಲ್ಲಿ ಫಿಲೇಚರ್‌ನವರು ಈ ಕೆಲಸ ಮಾಡುತ್ತಿದ್ದಾರೆ. ಈಗ ಮೈಸೂರು ಸಂಸ್ಥಾನದಲ್ಲಿ ಸ್ಪನ್‌ಸಿಲ್ಕ್ ಮಿಲ್ಲುಗಳು ಕೂಡ ಲಾಭದಾಯಕವಾಗಿ ನಡೆಯುತ್ತಿಲ್ಲವೆಂಬ ಕಾರಣದಿಂದ ಅವಕ್ಕೆ ಸೇಲ್ಸ್ ಟ್ಯಾಕ್ಸ್‌ನಿಂದ ವಿನಾಯಿತಿ ಕೊಟ್ಟಿದ್ದಾರೆ. ಫಿಲೇಚರ್ ಕಾರ್ಖಾನೆಗಳಿಗೆ ವಿನಾಯಿತಿ ಕೊಟ್ಟಿದ್ದಾರೆ. ಆದರೆ ಈ ಒಂದು ಸೌಲಭ್ಯವನ್ನು ಚರಕಾದವರಿಗೆ ಕೊಡದಿರುವುದು ಶೋಚನೀಯ. ಫ್ಯಾಕ್ಟರಿ ಸ್ಕೇಲಿನಲ್ಲಿ ಮಾಡುವವರಿಗೆ ಎಕ್ಸೆಂಪ್ಷನ್ ಕೊಟ್ಟು ಗೃಹಕೈಗಾರಿಕೆಯಾಗಿ ಮಾಡುತ್ತಿರುವುದಕ್ಕೆ ಸೇಲ್ಸ್ ಟ್ಯಾಕ್ಸ್ ಹಾಕುವುದು ಸರಿಯಲ್ಲ. ಹತ್ತು ಸಾವಿರ ರೂಪಾಯಿಗಳ ಟರ್ನ್‌ಓವರ್‌ಗೆ 75 ರೂಪಾಯಿಗಳ ತೆರಿಗೆಯನ್ನು ಹಾಕಿದ್ದರು. ಅದನ್ನು 25 ರೂಪಾಯಿಗಳಿಗೆ ಇಳಿಸಿದ್ದಾರೆ. ಆದರೆ ಪೂರ್ಣವಾಗಿ ಇದನ್ನು ಯೋಚನೆಮಾಡಿ ಯಾವ ಸೇಲ್ಸ್ ಟ್ಯಾಕ್ಸೂ ಇಲ್ಲದಂತೆ ಮಾಡುವುದು ನ್ಯಾಯ ದೃಷ್ಟಿಯಿಂದ ಸರಿಯೆಂದು ಕಾಣುತ್ತದೆ. ಹಾಗೆ ಮಾಡದಿದ್ದರೆ ಡಿಸ್ಕ್ರಿಮಿನೇಟ್ ಮಾಡಿದ ಹಾಗಾಗುತ್ತದೆ . ಗೂಡನ್ನು ತೆಗೆದು ಚರಕಾ ಬಿಚ್ಚುವವರಿಗೂ ಮತ್ತು ಫಿಲೇಚರ್ ಬಿಚ್ಚುವವರಿಗೂ ಭೇದವೆಣಿಸಿದಂತಾಗುತ್ತದೆ.

ಅಲ್ಲದೆ ನೇರವಾಗಿ ಇವರು ವ್ಯಾಪಾರ ಮಾಡುತ್ತಿಲ್ಲ. ಇವರ ಆರ್ಥಿಕ ಸ್ಥಿತಿಯನ್ನು ನೋಡಿದರೂ ಸಹ ಬಹು ಮಟ್ಟಿಗೆ ಹದಗೆಟ್ಟಿರುತ್ತದೆ. ಇವರಲ್ಲಿ ಮುಕ್ಕಾಲು ಪಾಲು ಜನರು ಅನಕ್ಷರಸ್ಥರು. ರೇಷ್ಮೆ ಕೈಗಾರಿಕೆಯೇ ಇವರ ಜೀವನದ ಮೂಲಾಧಾರ. ಇವರ ಕಷ್ಟಪರಿಸ್ಥಿತಿಯನ್ನು ಗಣನೆಗೆ ತೆಗೆದುಕೊಂಡು exemption ಕೊಡಬೇಕೆಂದು ವಿನಂತಿಮಾಡಿಕೊಳ್ಳುತ್ತೇನೆ.

ಶ್ರೀ ಟಿ. ಎಚ್. ಮೂಡಲಗಿರಿಗೌಡ (ಕುಣಿಗಲು).— ಇದನ್ನು ಸರ್ಕಾರದವರು ಬಹಳ ಸಹಾನುಭೂತಿಯಿಂದ ಪರಿಶೀಲಿಸಬೇಕೆಂದು ನಾನೂ ಸಹ ಒತ್ತಾಯಪಡಿಸುತ್ತೇನೆ.

ಶ್ರೀ ಬಿ. ರಾಚಯ್ಯ (ಎಳಂದೂರು—ಅನುಸೂಚಿತ ಜಾತಿಗಳು).—ನಾನೂ ಸಹ ಇದನ್ನು ಅನುಮೋದಿಸುತ್ತೇನೆ.

Sri M. LINGANNA.—Yesterday, I sought for information about this specific item. It was included I believe by the Select Committee in Schedule III to be exempted. For that no answer was given. Now the Minister may give an answer.

ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.—ದೇಶದ ಪ್ರಾಮುಖ್ಯತೆಯ ದೃಷ್ಟಿಯಿಂದ ಸರ್ಕಾರ ಈ ವಿಚಾರದಲ್ಲಿ ಒಂದು ನಿರ್ದಿಷ್ಟವಾದ ನೀತಿಯನ್ನು ಅವಲಂಬಿಸುತ್ತಿದೆ. ಈಗ ಜಾರಿಯಲ್ಲಿರುವ ಕಾನೂನಿನ ಪ್ರಕಾರ ಸಹ ಫಿಲೇಚರ್ ಸಿಲ್ಕಿಗೂ ಮತ್ತು ಚರಕ ಸಿಲ್ಕಿಗೂ ವ್ಯತ್ಯಾಸವನ್ನು ಕಲ್ಪಿಸಲಾಗಿದೆ. ಫಿಲೇಚರ್ ಸಿಲ್ಕಿಗಿಂತಲೂ ಚರಕ ಸಿಲ್ಕ್ ವಿಚಾರದಲ್ಲಿ ಹೆಚ್ಚಿನ ರಿಯಾಯಿತಿಯನ್ನು ಕೊಟ್ಟಿದೆ. ಆದುದರಿಂದ ತಿದ್ದುಪಡಿಯನ್ನು ಸರ್ಕಾರದವರು ಒಪ್ಪಿಕೊಳ್ಳಲು ಸಾಧ್ಯವಿಲ್ಲವೆಂದು ತಿಳಿಸುತ್ತೇನೆ.

Sri M. RAJASEKHARA MURTHY.— One clarification. The charka reeler sells silk through agents in Bangalore and the agent pays the tax collected on the basis of turnover. Why should the Government collect licence fees both from the charka reeler and his agent at Bangalore?

Sri A. G. RAMACHANDRA RAO.— Every man who makes a turnover, on that turnover this licence fee is levied just to keep him on in the register and not to bring any handicap on his trade.

Sri M. RAJASEKHARA MURTHY.— I press the amendment.

Mr. SPEAKER.—The question is:—

> 'In item No. 23, of Schedule III after the words "cocoon rearers" the words "and charka silk produced by reelers" shall be added.'

The motion was negatived.

***Sri J. MOHAMED IMAM.**—Sir, I beg to move:—

> "In item No. 23 of Schedule III after the words 'cocoon rearers' the words 'and silk manufactured by charka reelers' shall be added."

Exemption has been given to khadi and also handloom and handspun cloth. Similarly, extending the same analogy, exemption should be given to silk manufactured by charka reeler. So on this ground I submit that this should be included in the list of articles exempted. And I am sure that other members who have got more experience will enlighten the house on this point further.

Mr. SPEAKER.—Amendment moved:—

> 'In item No. 23 of Schedule III, after the words "cocoon rearers" the words "and silk manufactured by charka reelers" shall be added.'

Sri S. SRINIVASA IYENGAR (T.-Narasipur).—I support this amendment. Silk cocoons are exempt from

(SRI S. SRINIVASA IYENGAR.)

sales tax, in Schedule III. People in the villages extract this silk from cocoons by cottage industry and it does not fetch large revenue to the Government. Therefore I submit that silk manufactured by charka reelers be exempted.

Sri A. G. RAMACHANDRA RAO.—We are not at all affected where the turnover is less than Rs. 10,000.

Sri S. SRINIVASA IYENGAR.—According to the provisions of the Bill, even a small charkha owner capable of reeling 250 lbs of silk per annum will be subjected to sales tax as the price of charka silk fluctuates from Rs. 34 to 40 per pound. My point is that when the cocoon is exempt from sales tax, the silk reeled in charka by the grower may also be exempt from sales tax.

* Sri M. LINGANNA.—On a point of information, Sir. He has not amplified. I believe the point arose as to whether this should come in the exempted list. Probably the Chairman was absent and.........

Sri A. G. RAMACHANDRA RAO.—On charka silk and filature silk, there was agreement, I believe, to that effect and I do not know what made the Select Committee once again to revert back to the original position.

Mr. SPEAKER.—You find it in the Report?

Sri S. SRINIVASA IYENGAR.—In the Committee they have said that spun silk and rayons shall be exempt for two years from the operation of sales tax. That was the recommendation made by the Sales Tax Committee, not the Select Committee.

Sri M. LINGANNA.—The Select Committee considered this matter. I do not know why in the final stage this particular item was deleted.

Sri Kadidal MANJAPPA (Minister for Revenue and Public Works).—There was no agreement that it should be exempted in the first place. There was no assurance.

As regards the amendment proposed, I suppose that the cocoon rearers are obtaining licence. They are not paying any sales tax as such. And the licence fee is not much.

Sri M. LINGANNA.—As regards charka silk?

Sri Kadidal MANJAPPA.—Even charka silk reelers are required to pay licence fee and not sales tax. And their licence fee is not much.

Sri M. LINGANNA.—Where is the harm in accepting this particular item?

Sri Kadidal MANJAPPA.—If that item is deleted, you know the fate.

Sri M. LINGANNA.—I am going to support this particular amendment. I will give reasons as to why it should be accepted. Firstly, it was recommended by the Sales Tax Committee. So many items were exempted by the Sales Tax Committee. That Committee went into the question deeply and after consulting the interests concerned, have come to the conclusion that filature silk and charka silk should be exempted. Also it was pointed out in the course of the debate in that session that the silk industry is being neglected by the State Government. Even though a lot of amount was made available by way of loan by the Central Government, the attention given by the State Government is very meagre. Even here, sales tax is proposed to be levied on this very article of cottage industry, article which is produced on cottage industry level, and I am unable to understand why the State Government is fighting shy. You know the Government of our model State is engaged in improving this particular industry. After all what is it that the charka reeler makes? It is of course meagre. Though the quantity is less the total turnover is such that it comes within the purview of Section 3. So it is quite equitable that the Government should exempt this particular silk from being taxed under Section 3 of the Sales Tax Act. And I wanted to reveal that there are cases launched on even charka reelers whose total transaction had not exceeded. And even those people who produce this silk on cottage industry basis by having one or two charkas are prosecuted. I have to say that in Nanjangud Sub-Division where there are 48,000 acres under mulberry plantation, they are labouring under this particular difficulty. That is the reason why I

raised this point and I remember that the Minister said that it will be looked into.

Sri A. G. RAMACHANDRA RAO.—No, no.

Sri M. LINGANNA.—Never have I said something which has not happened.

Sri A. G. RAMACHANDRA RAO.—The Select Committee Report is before the House. I do not think it is open to any Hon'ble Member to refer to what has taken place in the Select Committee meetings; to agree to some arrangement in the Select Committee and to-day to raise that issue, it may not be proper.

Sri M. LINGANNA.—I may state that there is no loss of revenue to the State Government so far as this tax is concerned and what after all is the exact amount is a question open for examination. If the State Government were to get much revenue out of this taxation, certainly it would have been open to Government to tax. But here we are going to get a very small amount by way of taxation of a cottage industry and the interest and policy of the Government is also to encourage cottage industry and still we proceed to tax this cottage industry, little realising that it is still in its infant stage. I cannot understand why Government is fighting shy to accept the amendment moved by the Leader of the Opposition. I respectfully submit that I do remember having raised this point in the Committee and the Hon'ble Minister concerned promised that it would be looked into. I do not know how it was forgotten. I do not understand also why it does not suit the Government to accept the present amendment. There are several points which the Select Committee could not consider. It is quite constitutional also. So far we have accepted several amendments brought by Sri M. V. Rama Rao.

Sri A. G. RAMACHANDRA RAO.—This kind of pursuing is rather bad. Every amendment moved is being considered on its merits. You cannot make a remark like that. It is out of taste and out of dignity to this House.

Sri M. LINGANNA.—I am sorry to observe that the analogy is quite correct and I submit that the Minister concerned should accept the amendment to that extent. I submit that even now it is not too late to accept this amendment and give as much relief as possible to those charka reelers. I think the concerned Sales Tax Minister knows the difficulties of these poor charka reelers. These people have to make their living out of the silk produced by these reelers and marketing them and the total turnover of such silk will not be very much also. I therefore submit even now that the Minister concerned may kindly accept this amendment and thereby give certain relief to this particular cottage industry towards which I know the Government has got good intentions.

Sri Kadidal MANJAPPA.—Sir, at this stage, I have got to tell the House that every amendment that is brought up has to be viewed on its own merits and dispassionately. There is no substance in saying that we accept one amendment brought by one member and we reject another amendment brought by Opposition. As I have already submitted in the course of the debate, dealers in charka silk are not paying sales tax. They are subjected to payment of licensing fee which is not much. For a turnover of Rs. 10,000 to 20,000 the licence fee is Rs. 12-8-0; for a turnover of 20,000 to 50,000, Rs. 25; and from 50,000 to 1,00,000 Rs. 50. Sri Linganna has vehemently argued in favour of exempting this commodity. I may assure him that I will examine the question sympathetically. Government have got powers to exempt certain articles under section 6. I will get further details on the subject later on and examine the matter and with this assurance I think my friend Sri Imam will withdraw his amendment.

Sri J. MOHAMED IMAM.—I beg to withdraw the amendment.

The amendment was, by leave, withdrawn.

Mr. SPEAKER.—The next amendment stands in the names of Sri M. Rajasekhara Murthy, Sri H. K. Shivarudrappa and Sri J. Mohamed Imam.

*Sri J. MOHAMED IMAM.—Sir, I beg to move :

> 'That in item No. 25 of Schedule III, the words "if the cost of the article sold is less than eight annas" shall be deleted.'

Sir, I have moved a number of amendments to-day and I know however reasonable they might be Government have not thought of accepting them. But still the Opposition is not discouraged nor am I discouraged personally. Undaunted we will proceed with our work and we will not fail to perform our legitimate duty by pointing to Government the real defects and difficulties and thus serve the country to the extent we can.

Sir, I may just point out how inconsistent this item is.

> "25. Pencils, drawing books, chalk stocks, crayons, erasers and other articles used in educational institutions when sold to *bona fide* students if the cost of the article sold is less than eight annas."

How generous you are! I want to know whether it is generosity or magnanimity. The students must purchase articles only up to eight annas and beyond that if he purchases, then he has to pay sales tax. One student note-book costs Re. 1. Is this really exemption? How ludicrous it looks!! "Pencils, drawing-books, erasers and other articles used in educational institutions." I also thought about this phraseology, Sir, and I thought it might have been put down due to over-sight and that is why I am making this amendment requesting to omit these words 'less than eight annas.' We are also interested in supporting every measure which will increase the revenue of the Government but it should not be like this. I want you to understand the reasonableness of the amendment and it is certainly not born out of desire to hanker after power. We also want to see that the administration is running smoothly and properly. And I am suggesting this amendment in the interest of students.

Mr. SPEAKER.—Amendment moved:

> 'That in item No. 25 of Schedule III, the words "if the cost of article sold is less than eight annas" shall be deleted.'

Sri Kadidal MANJAPPA.—Sir, nobody questions the *bona fides* of the Members of the Opposition, much less of the Leader of the Opposition. It is only a question of possibility and feasibility. So far as this amendment is concerned, I am agreeable to accept this amendment. Let my old friend go with the impression that the Government is reasonable.

Mr. SPEAKER.—The question is :

> 'That in item No. 25 of Schedule III, the words "if the cost of the article sold is less than eight annas" shall be deleted.'

The motion was adopted.

Mr. SPEAKER.—The question is :

> "That Clause 18 as amended, stand part of the Bill."

The motion was adopted.

Clause 18, as amended, was added to the Bill.

5 P.M.

Mr. SPEAKER.—Clause 1. The question is :

> "That Clause 1 stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

Mr. SPEAKER.—Title and Preamble The question is :

> "That the Title and the Preamble stand part of the Bill."

The motion was adopted.

The Title and the Preamble were added to the Bill.

Motion to pass.

Sri A. G. RAMACHANDRA RAO.—Sir, I beg to move :

> "That the Mysore Sales Tax (Amendment) Bill, 1954, as amended, be passed."

Mr. SPEAKER.—The question is:

"That the Mysore Sales Tax (Amendment) Bill, 1954, as amended, be passed."

The motion was adopted.

MADRAS GENERAL SALES TAX (MYSORE AMENDMENT) BILL, 1954.

Motion to consider.

Sri A. G. RAMACHANDRA RAO (Minister for Law and Education).—Sir, I beg to move:

"That the Madras General Sales Tax (Mysore Amendment) Bill, 1954, as reported by the Select Committee, be taken into consideration."

It is a very simple measure, Sir. It is almost a consequential amendment as applicable to Bellary District. The main amendment is that with respect to finer counts of cloths an addition of quarter anna is to be levied in Bellary District.

Mr. SPEAKER.—Motion moved:

"That the Madras General Sales Tax (Mysore Amendment) Bill, 1954, as reported by the Select Committee, be taken into consideration."

*ಶ್ರೀ ಕೆ. ಪುಟ್ಟಸ್ವಾಮಿ (ಶ್ರೀರಂಗಪಟ್ಟಣ).—ಸ್ವಾಮಿ, ಬಳ್ಳಾರಿಯು ಮೈಸೂರು ಸಂಸ್ಥಾನಕ್ಕೆ ಸೇರಿ ಆಗಲೇ ಬಹಳ ತಿಂಗಳುಗಳಾದರೂ ಕೂಡ ಪ್ರತಿಯೊಂದು ಸಂದರ್ಭದಲ್ಲೂ except Bellary ಎಂದು ಹೇಳಿ, ಮದ್ರಾಸು ಸರ್ಕಾರದ ಕಾನೂನನ್ನು ಬದಲಾಯಿಸಿ ಬಳ್ಳಾರಿಗೇ ಬೇರೆ ಕಾನೂನು, ಬಾಕಿ ಮೈಸೂರು ದೇಶಕ್ಕೇ ಒಂದು ಕಾನೂನು ಹೀಗೆ ಒಂದೇ ವಿಷಯಕ್ಕೆ ಎರಡು ಕಾನೂನುಗಳನ್ನು ತರುವುದು, ಒಂಭತ್ತು ಜಿಲ್ಲೆಗಳಿಗೇ ಒಂದು ಕಾನೂನು ಹತ್ತನೆಯ ಜಿಲ್ಲೆಗೇ ಇನ್ನೊಂದು ತರಹ ಕಾನೂನು ಮಾಡುವುದು ಸರಿಯಲ್ಲ. ಜನ ಇದನ್ನು ನೋಡಿ ಏನು ಹೇಳುತ್ತಾರೆ? ಅಸೆಂಬ್ಲಿಯವರು ಬಳ್ಳಾರಿ ಮತ್ತು ಮೈಸೂರು ದೇಶ ಈ ಎರಡಕ್ಕೂ ಅನ್ವಯವಾಗುವಂತೆ ಒಂದೇ ಕಾನೂನನ್ನು ಏಕೆ ಮಾಡಲಿಲ್ಲ ಎಂದು ಪ್ರಶ್ನೆ ಮಾಡುವುದಿಲ್ಲವೆ? ಹೀಗೆ ಬಳ್ಳಾರಿಗೇ ಬೇರೆ ಕಾನೂನು ಮಾಡಿಕೊಂಡು, ಅಲ್ಲಿರುವ ಕಾನೂನನ್ನೇ ತಿದ್ದುಪಡಿ ಮಾಡುತ್ತಾ ಹೋದರೆ ಅದಕ್ಕೆ ಕೊನೆಮೊದಲೇ ಇಲ್ಲವೆ? ಇದನ್ನು ಬಿಟ್ಟು ಈಗಲಾದರೂ ಮನಸ್ಸುಮಾಡಿ ಮೈಸೂರು ದೇಶದಲ್ಲಿ ಯಾವ ಕಾನೂನಿದೆಯೋ ಅದನ್ನೇ ಅಲ್ಲಿಗೂ ಅನ್ವಯಿಸಬೇಕು. ಏನಾದರೂ ಹೀಗೆ ಅದಲುಬದಲು ಆಗುವುದಾದರೆ ಅದನ್ನು ಯಾವ ರೀತಿ ಬದಲಾವಣೆ ಮಾಡಿ ಅನ್ವಯಿಸಬೇಕೋ ಆ ರೀತಿ ಮಾಡಬೇಕಾದದ್ದು ಅವಶ್ಯಕ. ಪ್ರತಿಯೊಂದು ಅಸೆಂಬ್ಲಿ ಅಧಿವೇಶನದಲ್ಲೂ ಕೂಡ ಬಂದ ಕಾನೂನುಗಳೆಲ್ಲೆಲ್ಲಾ, ಇನಾಂ ಅಬಾಲಿಷನ್ ಕಾನೂನು ಮುಂತಾದುವುಗಳಲ್ಲೆಲ್ಲಾ except Bellary ಎಂದು ಹೇಳುವುದೇಕೆ! ಬಳ್ಳಾರಿಗೆ ಅನ್ವಯಿಸುವುದಕ್ಕಾಗುವುದಿಲ್ಲವೆಂದು ಹೇಳಿದರೆ ಅದು ಸರಿಯಾದ ಜವಾಬಲ್ಲ. ಮೈಸೂರು ದೇಶದಲ್ಲಿರುವ ಸೇಲ್ಸ್ ಟ್ಯಾಕ್ಸ್ ಕಾನೂನನ್ನು ಮೈಸೂರು ದೇಶದ ಒಂದು ಜಿಲ್ಲೆಗೇಕೆ ಅನ್ವಯಿಸಬಾರದೆಂದು ಕೇಳಿದರೆ ಅದಕ್ಕೆ ಉತ್ತರವಿಲ್ಲ. ಈಗ ಏಕೆ ನಮ್ಮ ಕಾನೂನನ್ನು ಬಳ್ಳಾರಿಗೆ ಅನ್ವಯಿಸುವುದಕ್ಕಾಗುವುದಿಲ್ಲ, ಏನು ಅಡಚಣೆಯಿದೆ ಎಂಬುದಕ್ಕೆ ಸರ್ಕಾರದವರು ವಿಶದವಾಗಿ ಉತ್ತರ ಕೊಟ್ಟಹೊರತು ಈ ಬಿಲ್ಲನ್ನು ಪರಿಶೀಲಿಸುವುದಕ್ಕೆ ಬಹಳ ಕಷ್ಟವಾಗುತ್ತದೆ.

ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.—ಸ್ವಾಮಿ, ಬಳ್ಳಾರಿಯು ಮದ್ರಾಸು ಸರ್ಕಾರಕ್ಕೆ ಸೇರಿದ್ದುದು ಎಲ್ಲರಿಗೂ ಗೊತ್ತೇ ಇದೆ.

Mr. SPEAKER.—Any other Hon'ble Member who wants to take part in the debate?

(None rose)

The Hon'ble Minister may reply.

ಶ್ರೀ ಎ. ಜಿ. ರಾಮಚಂದ್ರರಾವ್.—ಬಳ್ಳಾರಿಯು 1953ನೆಯ ಇಸವಿ ಅಕ್ಟೋಬರ್ ಒಂದನೆಯ ತಾರೀಖು ಮೈಸೂರಿಗೆ ಸೇರಿತು. ಆಗ ಸರ್ವೇಸಾಮಾನ್ಯವಾಗಿ ಯಾವ ಕಾನೂನು ಅವರಿಗೆ ಅನ್ವಯವಾಗುತ್ತಿತ್ತೋ ಅಷ್ಟನ್ನು ಮಾತ್ರ ಅನ್ವಯಿಸಿ ಬಾಕಿ ಮೂಲಭೂತವಾಗಿರುವುದನ್ನು ಬದಲಾಯಿಸುವುದು, ಅವರ ಆರ್ಥಿಕ ಸಾಮಾಜಿಕ ಜೀವನವನ್ನು ಬುಡಮೇಲು ಮಾಡುವುದು ಅಥವಾ ತೀವ್ರವಾಗಿ ಬದಲಾಯಿಸುವುದು ಸೂಕ್ತವಲ್ಲ, ಅದನ್ನು ನಿಧಾನವಾಗಿ, ಅಲ್ಪಸ್ವಲ್ಪವಾಗಿ ತೆಗೆದುಕೊಳ್ಳಬೇಕಾದ್ದು ಅಗತ್ಯ ಎಂದು ಭಾವಿಸಿ ಆಗ ಎಲ್ಲ ತಿದ್ದುಪಡಿಗಳನ್ನೂ ಮಾಡಲಿಲ್ಲ.

ಎರಡನೆಯದಾಗಿ ಅಲ್ಲಿರುವ ಎಲ್ಲ ಕಾನೂನುಗಳನ್ನೂ ಒಂದೇ ಸಲ ರದ್ದುಮಾಡಿ ಮೈಸೂರು ದೇಶದಲ್ಲಿರುವ ಕಾನೂನುಗಳನ್ನು ಅವರ ಸ್ಥಿತಿಗತಿಗಳಿಗನುಗುಣವಾಗಿ ಅನ್ವಯಿಸುವುದಕ್ಕಾಗುವುದಿಲ್ಲ. ಉದಾಹರಣೆಗೆ ಇನಾಂ ಬಿಲ್ಲು ಎಂದು ಹೇಳಿದರು. ಬಳ್ಳಾರಿಯಲ್ಲಿ ಈಗಾಗಲೇ ಇನಾಂ ರದ್ಧಿಯಾತಿಯು ಕಾನೂನು ಬಂದು ಬಹಳವಾಗಿ ಕೆಲಸಕಾರ್ಯ ನಡೆಯುತ್ತಿದೆ. ಆದ್ದರಿಂದ ಇಲ್ಲಿನ ಮಸೂದೆಯನ್ನು ಅಲ್ಲಿಗೆ ಅನ್ವಯಿಸಲು ಸಾಧ್ಯವಿಲ್ಲ. ಇದೇರೀತಿಯಲ್ಲಿ ರೆವೆನ್ಯೂ ವಿಷಯ, ಡಿಸ್ಟ್ರಿಕ್ಟ್ ಬೋರ್ಡ್ ಮತ್ತು ಗ್ರಾಮಪಂಚಾಯ್ತಿ ಕ್ರಮ ಬೇರೆ ಇರುವುದರಿಂದ ಅವರಿಗೆ ತೊಂದರೆಯಾಗಕೂಡದು, ಕ್ರಮೇಣ ಹೊಸ ಕಾನೂನುಗಳನ್ನು ಜಾರಿಗೆ ತಂದು ನಿಧಾನವಾಗಿ ಮುಂದುವರಿಯುವುದು ಸೂಕ್ತ ಎಂಬ ದೃಷ್ಟಿಯಿಂದ ಮಾತ್ರ ಈ ತರಹ ತಿದ್ದುಪಡಿ ಮಸೂದೆಯನ್ನು ತರುತ್ತಿದೆಯೇ ಹೊರತು ಈ ಸಭೆಗೆ ಅಧಿಕಾರವಿಲ್ಲ, ಶಕ್ತಿಯಿಲ್ಲ, ಈ ಕಾನೂನು ಅಲ್ಲಿ ಜಾರಿಗೆ ತರುವುದಕ್ಕಾಗುವುದಿಲ್ಲ ಎಂಬ ಅಭಿಪ್ರಾಯವೇನೂ ಇಲ್ಲ. ಅವರನ್ನು ನಮ್ಮ ಜೊತೆಗೆ ತೆಗೆದುಕೊಳ್ಳುವಾಗ ಅವರಿಗೆ ತೊಂದರೆಯಾಗಬಾರದು, ಮೈಸೂರಿಗೆ ಬಂದುದಕ್ಕೆ ಕಾನೂನು ಕೊಂಡುಕೊಂಡು ಬಂದರು, ಮೈಸೂರಿನಲ್ಲಿದ್ದ ಹೊಸ ಕಾನೂನು ತಂದು ಆರ್ಥಿಕ ಬುಡಮೇಲು ಮಾಡುತ್ತಿದ್ದಾರೆ ಎಂಬ ಅಭಿಪ್ರಾಯ